Sakarwala Capital Securities (Pvt) Ltd.

Corporate Stock Brokerage House Pakistan Stock Exchange Ltd. Karachi
Corporate Commodities Brokerage House Pakistan Mercantile Exchange Ltd. Karachi

UNADITED FINANCIAL STATEMENTS

For the 2nd Quarter & Half Year
Ended December 2023

TREC NO.	SECURITIES BROKER LIC. NO.	CDS PARTICIPANT ID
010	BRP-04	04424
TREC NO.	COMMODITIES BROKER LIC. NO.	
050	BRP-04	

HEAD OFFICE :
114, 3rd Floor, Stock Exchange Building, Karachi.
: +92-21-3241-9314, 3241-9732, 3241-1998, 3242-8302-3
: +92-21-32428303

BRANCH OFFICE :
130, 3rd Floor, Stock Exchange Building, Karachi.

info@sakarwalasecurities.com,
sakarwala_stockex@hotmail.com
https://www.facebook.com/sakarwalasecurities/
https://mobile.twitter.com/tradesakarwala
www.sakarwalasecurities.com

SAKARWALA CAPITAL SECURITIES (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION
FOR THE Half-YEAR ENDED DECEMBER 31, 2023

	Note	UN AUDIT-2023	2023
		--------Rupees--------	
ASSETS			
NON CURRENT ASSETS			
Property and equipment	1	23,341,044	23,341,045
Investment Property	2	49,500,000	49,500,000
Intangible assets	3	3,250,000	3,250,000
Long term investment	4	16,726,957	14,081,852
Long term deposits	5	4,510,000	4,010,000
		97,328,001	94,182,897
CURRENT ASSETS			
Trade debts - unsecured	6	20,489,944	20,132,052
Short term investment	7	21,525,903	11,016,440
Investment in margin financing	8	-	3,299,240
Advances, deposits, prepayments and other receivables	9	55,885,833	46,249,569
Cash and bank balances	10	177,857,194	180,976,347
		275,758,873	261,673,649
		373,086,874	355,856,547
EQUITY AND LIABILITIES			
CAPITAL RESERVES			
Authorized capital	11	100,000,000	100,000,000
Issued, subscribed and paid-up capital	11	100,000,000	100,000,000
Capital Reserve			
General Reserve	12	2,720,820	2,720,820
Surplus on revaluation of property and		18,373,253	18,373,253
		21,094,073	21,094,073
Revenue Reserve			
Unappropriated profit		80,503,299	72,454,181
Surplus on re-measurement of equity investment at FVOCI		(492,812)	(3,137,917)
		80,010,487	69,316,264
Total equity		201,104,560	190,410,337
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term loan	13	6,035,597	6,035,597
CURRENT LIABILITIES			
Trade and other payable	14	165,946,717	159,410,613
Provision for taxation		-	-
		373,086,874	355,856,547
Contingencies and commitments	15	-	-
		(0)	(0)

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

Chief Executive

G. M. Sakarwala

Director

SAKARWALA CAPITAL SECURITIES (PRIVATE) LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE Half-YEAR ENDED DECEMBER 31, 2023

	Note	UN AUDIT-2023	2023
		---------Rupees---------	
Operating revenue	16	23,159,778	23,149,692
Capital gain on sale of investments - net		-	2,583,104
Net change in unrealised gain on remeasurement of short term investments		-	(2,394,025)
Dividend income		1,017,678	1,500,345
		24,177,455	24,839,116
Operating and administrative e	17	(29,371,403)	(43,561,612)
Financial charges	18	(37,673)	(477,925)
Other income	19	13,280,739	22,250,041
(Loss)/profit before taxation	20	8,049,118	3,049,620
Taxation	21	-	(641,466)
(Loss)/profit after taxation		8,049,118	2,408,154
Earning per share - Basic and Diluted		8.05	(4.42)

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

Chief Executive

Director

STATEMENT OF COMPREHENSIVE INCOME
FOR THE Half-YEAR ENDED DECEMBER 31, 2023

	UN AUDIT-2023	2023
	---------*Rupees*---------	
(Loss)/profit for the year	**8,049,118**	2,408,154
Other comprehensive income:		
Items that will not not be reclassified subsequently to profit or loss		
Unrealised (loss)/gain on re-measurement of Investment at FVOCI	**2,645,105**	(5,385,357)
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR	**10,694,223**	(2,977,203)

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

Chief Executive

G M Sattarwala

Director

STATEMENT OF CHANGES IN EQUITY
FOR THE Half-YEAR ENDED DECEMBER 31, 2023

		CAPITAL RESERVE		REVENUE RESERVE		
	Issued, subscribed and paid-up capital	Capital Reserve	Surplus on revaluation of property and equipment	Unappropriated Profit	Surplus on re-measurement of equity Investment	Total
			Rupees			
Balance as at June 30, 2022	50,000,000	2,720,820	20,414,726	118,004,554	2,247,440	193,387,540
Transaction with owners directly charged to equity						
Issue of bonus share @ 100%	50,000,000	-	-	(50,000,000)	-	-
Total comprehensive income for the year ended June 30, 2023						
Loss after taxation	-	-	-	2,408,154	-	2,408,154
Unrealised loss on remeasurement of Investment at FVOCI	-	-	-	-	(5,385,357)	(5,385,357)
	-	-	-	2,408,154	(5,385,357)	(2,977,203)
Transfer of incremental depreciation on revaluation surplus	-	-	(2,041,473)	2,041,473	-	-
Balance as at June 30, 2023	100,000,000	2,720,820	18,373,253	72,454,181	(3,137,917)	190,410,337
Transaction with owners directly charged to equity						
Issue of bonus share @ 100%	-	-	-	-	-	-
Total comprehensive income for the year ended Dec 30, 2023						
Loss after taxation	-	-	-	8,049,118	-	8,049,118
Unrealised loss on remeasurement of Investment at FVOCI	-	-	-	-	2,645,105	2,645,105
	-	-	-	8,049,118	2,645,105	10,694,223
Transfer of incremental depreciation on	-	-	18,373,253	-	-	18,373,253
Balance as at DECEMBER 30, 2023	100,000,000	2,720,820	18,373,253	80,503,299	(492,812)	201,104,560

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

Chief Executive

G. M. Chaw...

Director

SAKARWALA CAPITAL SECURITIES (PRIVATE) LIMITED
STATEMENT OF CASH FLOW
FOR THE Half-YEAR ENDED DECEMBER 31, 2023

	Note	UN AUDIT-2023	2023
		---------Rupees---------	
CASH FLOW FROM OPERATING ACTIVITIES			
Profit /(loss) before taxation		8,049,118	3,049,620
Adjustment for non-cash items:			
Depreciation		-	3,164,672
Financial charges		-	477,925
Reversal of provison for doubtful debts		-	(2,918,181)
Gain on sale of property and equipment		-	(1,180,099)
Capital gain on sale of investments - net		-	(2,583,104)
Unrealised loss/(gain) on remeasurement of short term investments		-	2,394,025
Operating (loss)/profit before working capital changes		-	(644,762)
Changes in working capital			
Trade debts		(357,892)	(10,470,472)
Advances, deposits and prepayments		(7,605,866)	(21,441,055)
Receivable against margin financing		3,299,240	2,548,665
Trade and other payable		6,536,104	88,410,493
Net changes in working capital		1,871,586	59,047,631
Financial charges paid		-	(135,010)
Taxes paid		(2,030,394)	(2,997,731)
Net cash generated from/(used in) operating activities		7,890,309	58,319,748
CASH FLOW FROM INVESTING ACTIVITIES			
Sale proceed on disposal of property and equipment		-	1,205,000
Addition in long term deposits		(500,000)	
Short term investment-net		(10,509,463)	2,583,104
Net cash generated from /(used in) investing activities		(11,009,463)	3,788,104
Net increase(decrease) in cash and cash equivalent		(3,119,153)	62,107,852
Cash and cash equivalent at beginning of the year		180,976,347	118,868,496
Cash and cash equivalent at end of the year		177,857,194	180,976,348

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

Chief Executive

G. N. Sakarwala

Director

1. PROPERTY PLANT AND EQUIPMENT

	Note	UN AUDIT-2023 *Rupees*	2023 *Rupees*
Property and equipment	1.1	**23,341,045**	23,341,045

1.1

Particulars	Cost				Rate %	Depreciation				W.D.V.
	As at July 01, 2022	Additions	Disposals	As at June 30, 2023		As at July 01, 2022	For the year	Disposals	As at June 30, 2023	As at June 30, 2023
	------------------*Rupees*------------------					------------------*Rupees*------------------				
Office Building	60,251,957	-		60,251,957	10%	38,827,732	2,142,423	-	40,970,155	19,281,802
Office Equipment	675,316	-	-	675,316	20%	620,540	10,955	-	631,495	43,821
Furniture and fixture	448,299	-	-	448,299	20%	432,557	3,148	-	435,705	12,594
Vehicles	9,494,455	-	1,105,835	8,388,620	20%	4,466,049	1,005,681	(1,080,934)	4,390,796	3,997,824
Computer Equipment	1,225,241	-	-	1,225,241	33%	1,217,773	2,464	-	1,220,237	5,004
June 30, 2023	72,095,268	-	1,105,835	70,989,433		45,564,651	3,164,672	(1,080,934)	47,648,389	23,341,044

Particulars	Cost				Rate %	Depreciation				W.D.V.
	As at July 01, 2021	Additions	Disposals	As at June 30, 2022		As at July 01, 2021	For the year	Disposals	As at June 30, 2022	As at June 30, 2022
	------------------*Rupees*------------------					------------------*Rupees*------------------				
Office Building	60,251,957	-	-	60,251,957	10%	36,447,262	2,380,470	-	38,827,732	21,424,226
Office Equipment	675,316	-	-	675,316	20%	606,846	13,694	-	620,540	54,776
Furniture and fixture	448,299	-	-	448,299	20%	428,621	3,936	-	432,557	15,742
Vehicles	9,494,455	-	-	9,494,455	20%	3,208,948	1,257,101	-	4,466,049	5,028,406
Computer Equipment	1,225,241		-	1,225,241	33%	1,214,573	3,200	-	1,217,773	7,468
June 30, 2022	72,095,268	-	-	72,095,268		41,906,250	3,658,401	-	45,564,650	26,530,618

1.1 Had there been no revaluation, the net carrying value of office building would have been Rs. 908,550 (2022 :Rs. 1,009,500).

1.2 Revaluation was performed by Anjum Adil and Associate, an independent valuer on 21 April, 2021 resulting in surplus amounting Rs. 25,203,049.

1.3 The forced Sale Value (FSV) of the revalued office building at the date of revaluation was Rs. 21.060 million.

2 INVESTMENT PROPERTY

	Note	UN AUDIT-2023 *Rupees*	2023 *Rupees*
	2.1	**49,500,000**	49,500,000

2.1

Particulars	Cost				Rate %	Depreciation				W.D.V.
	As at July 01, 2022	Additions	Gain as per IAS 40	As at June 30, 2023		As at July 01, 2022	For the year	Disposals	As at June 30, 2023	As at June 30, 2023
Shop # 1 Sulaiman Ar	682,673	-	49,163,611	49,846,284	5%	346,284	-	-	346,284	49,500,000
June 30, 2023	682,673	-	49,163,611	49,846,284		346,284	-	-	346,284	49,500,000

2.1 The investment property consist of Shop No-S-1, Ground Floor, Sulaiman Arcade, Plot No#11, sub plot S-1, Block No#3, Bihar Muslim Co-operative Housing Society, Sharfabad, Jamal ud din Afghani Road Karachi. The investment property consist of 450 Square feet.

2.2 Revaluation was performed by Anjum Adil and Associate, an independent valuer on 21 April, 2021.

		Note	UN AUDIT-2023	2023
			---------Rupees---------	
3.	**INTANGBLE ASSETS**			
	Trading Right Entitlement Certificate (TREC)	3.1	2,500,000	2,500,000
	PMEX Membership Card		750,000	750,000
			3,250,000	3,250,000
3.1	Trading Right Entitlement Certificate (TREC)	3.1.1	2,500,000	2,500,000
	Impairment - TREC		-	-
			2,500,000	2,500,000

3.1.1 This represents TREC received by the company in according with the Stock Exchange (Corporatisation, Demutualization and Integration) Act 2012, as ammended by Stock Exchange (Corporatisation, Demutualization and Integration)(Ammedment) Act, 2015. The TRE Certificate is stated cost less accumulated impairment loss.

		Note	UN AUDIT-2023	2023
4.	**LONG TERM INVESTMENT**			
	At fair value through Other comprehensive income			
	Investment in shares of Pakistan Stock Exchange	4.1	16,726,957	14,081,852

4.1 This represents 1,902,953 (2022: 1,902,953) shares of Pakistan Stock Exchange.

		Note	UN AUDIT-2023	2023
5.	**LONG-TERM DEPOSITS**			
	Trading deposit			
	NCCPL basic deposit		200,000	200,000
	NCCPL ready market deposit		200,000	200,000
	NCCPL future market deposit		1,000,000	1,000,000
	PMEX Deposit	5.1	2,500,000	2,500,000
	PMEX basic Deposit		500,000	-
	CDC deposit		100,000	100,000
	Other deposits		10,000	10,000
			4,510,000	4,010,000
6.	**TRADE DEBTS - CONSIDERED GOODS**			
	Trade debts		20,489,944	20,132,052
	Less: Loss allowance		-	-
			20,489,944	20,132,052
7.	**SHORT TERM INVESTMENT**			
	At fair value through profit or loss			
	Investment in quoted securities		21,525,903	11,016,440
8.	**RECEIVABLE IN MARGIN FINANCING**			
	Receivable in margin financing from clients		-	3,299,240

11.1 Margin financing facility is provided to client on 0% markup basis per annum. For the year average MF rate has been 0% (2023: 0% per annum).

9. ADVANCES, DEPOSITS AND OTHER RECEIVABLES

Advance tax	83,411	-
Income tax refundable	21,926,222	19,979,236
NCCPL - Future Market Exposure	10,500,000	10,000,000
NCCPL - Future Market Profit/(loss)	20,080,654	14,560,687
Other Receivable	3,295,545	1,709,646
	55,885,833	46,249,569

10. BANK BALANCES

Cash at bank			
- Current account		135,261	383,699
- Saving account	13.1	177,721,932	180,592,647
		177,857,194	180,976,347

10.1 The interest rate on saving accounts ranges from 13% to 19.5% per annum.

11. SHARE CAPITAL

11.1 AUTHORIZED SHARE CAPITAL

UN AUDIT-2023	2023		UN AUDIT-2023	2023
Number of Shares			---------Rupees---------	
1,000,000	1,000,000	Ordinary shares of Rs. 100 each	100,000,000	100,000,000

11.2 ISSUED SUBSCRIBED AND PAID-UP CAPITAL

UN AUDIT-2023	2023		UN AUDIT-2023	2023
Number of Shares			---------Rupees---------	
1,000,000	1,000,000	Ordinary shares of Rs. 100 each fully paid in cash	100,000,000	100,000,000

11.2.1 During the year, the company has issued 100% bonus dividend to its shareholder resulting in increase of share capital.

11.2.2 Pattern of Shareholding

	Name of Shareholder	No of Shares	Percentage of Holding	No of Shares	Percentage of Holding
		JUNE 30, 2023		June 30, 2023	
i	Ghulam Mustafa Sakarwala	180,000	18.00%	180,000	18.00%
ii	Ghulam Mujtaba Sakarwala	341,000	34.10%	341,000	34.10%
iii	Munira Sakarwala	180,000	18.00%	180,000	18.00%
iv	Ghulam Murtaza Sakarwala	149,500	14.95%	149,500	14.95%
v	Ghulam Muhammad Sakarwala	149,500	14.95%	149,500	14.95%
vi	Aziza Bano	-	0.00%	-	0.00%
		1,000,000	100%	1,000,000	100%

No changes in shareholding above 5 %

11.2.3 The changes in shareholding above 5 % is disclosed in above schedule.

11.3 All ordinary shares rank equally with regards to the company's residual assets. Holders of the shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the company. There is no agreement among shareholder in respect of voting rights, board selection, right of refusal and block voting.

	Note	UN AUDIT-2023	2023
		---------Rupees---------	
15. SURPLUS ON REVALUATION OF PROPERTY AND EQUIPMENT			
Surplus as on July 1		20,414,726	20,414,726

Revaluation surplus on office building		-	-
Transferred to Unappropriated profit on account of:			
- Incremental depreciation - net of tax		(2,041,473)	(2,041,473)
Surplus as on Dec 30		-	-
		18,373,253	18,373,253

	Note	UN AUDIT-2023	2023
		---------Rupees---------	
13. LONG TERM LOAN			
Long term loan		*6,035,597*	6,035,597

13.1 This reprsents loan from director amounting to Rs.6,850,000 repayable in October 2024 @ 0% markup.

14. TRADE AND OTHER PAYABLE

	Note	UN AUDIT-2023	2023
Trade payable	17.1.	161,202,360	152,014,405
Accrued expenses		573,722	972,576
Auditors' remuneration		100,000	321,400
Other liabilities		4,070,636	6,102,232
		165,946,717	159,410,613

15. CONTINGENCIES AND COMMITMENTS

15.1. There were no contingencies and commitments as at December. 31, 2023 (June 30, 2022 : Nil)

16. REVENUE FROM CONTRACT WITH CUSTOMERS

	Note	UN AUDIT-2023	2023
Brokerage Revenue	19.1	23,159,778	27,876,088

16.1 Breakup of brokerage revenue

- Institutional clients	300,855	612,426
- Retail clients	22,858,923	27,263,662
	23,159,778	27,876,088

17. ADMINISTRATIVE EXPENSES

Salaries and allowances	24,352,262	33,537,366
Printing, stationary and periodicals	27,094	36,497
Utilities	383,762	586,405
Communication expense	203,345	257,191
Rent, rates and taxes	380,628	758,400
Transaction charges	2,935,129	2,381,912
Repair and maintenance	465,986	31,300
Fees and subscription	140,500	195,000
Commission expense	-	153,969
Depreciation	-	3,658,401
Entertainment	-	-
Provision against doubtful receivables	-	-
Auditors' remuneration	-	135,000
Legal and professional Fee	98,950	263,855
IT services	362,354	1,005,166
Miscellaneous	21,393	66,802
	29,371,403	43,067,264

FINANCE COST

	Note	UN AUDIT-2023	2023
Unwinding of long term loan from director		-	342,915
Bank charges		37,673	135,010
		37,673	477,925

	Note	UN AUDIT-2023	2023
		---------Rupees---------	

19. OTHER INCOME

Profit on bank deposits	12,782,513	17,812,520
Capital Gain/(loss) on Investment	-	1,180,099
Gain on disposal of property and equipment	-	-
Profit on cash margin	498,226	339,241
Reversal of provison for doubtful debts	-	2,918,181
Other	-	-
	13,280,739	22,250,041

20 EARNINGS/(LOSS) PER SHARE - BASIC AND DILUTED

Profit/(loss) for the year (Rupees)	8,049,118	(2,209,797)
Weighted average number of ordinary shares (numbers)	1,000,000	500,000
Earnings/(Loss) per share - basic and diluted (Rupees)	8.05	(4.42)

22 REMUNERATION TO CHIEF EXECUTIVE AND DIRECTOR

The aggregate amounts charged in these financial statements for remuneration , including benefits to Chief Executive and Directors are as follows

	Chief Executive		Directors	
	-----Rupees-----			
	UN AUDIT-2023	2023	UN AUDIT-2023	2023
Managerial Remuneration	600,000	1,200,000	450,000	900,000
Bonus	-	400,000	-	600,000
Commission	-	-	-	-
	600,000	1,600,000	450,000	1,500,000
Number of persons	1	1	1	1

23 FINANCIAL INSTRUMENT AND RELATED DISCLOSURES

23.1 Financial instrument by category

23.1.1 Financial assets

While determining the value of total assets of TREC holder, the Notional value of the TREC held by Sakarwala Capital Securities (Private) Limited as at year ended DECEMBER 31,2023 determined by Pakistan Stock Exchange has been considered.

Chief Executive

Director