

SAKARWALA CAPITAL SECURITIES (PRIVATE) LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2022

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF SAKARWALA CAPITAL SECURITIES (PRIVATE) LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **Sakarwala Capital Securities (Private) Limited** (the Company), which comprise the statement of financial position as at June 30, 2022, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, 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 and other 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 (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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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 scepticism 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.

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

Report on Other Legal and Regulatory Requirements

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

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business;
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.
- e) the Company was in compliance with the requirement of section 78 of the Securities Act 2015, and the relevant requirements of Securities Brokers (Licencing and Operations) Regulations, 2016 as at the date on which the unconsolidated financial statements were prepared.

Other Matter(s)

The financial statements of the Company for the year ended June 30, 2021 were audited by another firm of Chartered Accountants who had expressed unmodified opinion vide their report dated October 01, 2021 on those statements.

The engagement partner on the audit resulting in this independent auditor's report is Azeem H. Siddiqui – FCA.


Naveed Zafar Ashfaq Jaffery & Co.
Chartered Accountants

Karachi :

Dated : October 06, 2022


DUIN : AR2022102328bzKvREVO

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SAKARWALA CAPITAL SECURITIES (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2022

	Note	2022 -----Rupees-----	2021
ASSETS			
NON CURRENT ASSETS			
Property and equipment	4	26,530,613	30,189,018
Investment property	5	49,500,000	49,500,000
Intangible assets	6	3,250,000	3,250,000
Long term investment	7	19,467,209	42,454,881
Long term deposits	8	4,010,000	4,010,000
		102,757,827	129,403,900
CURRENT ASSETS			
Trade debts - unsecured	9	6,743,399	17,383,232
Short term investment	10	13,410,465	4,158,250
Investment in margin financing	11	5,847,905	12,594,263
Advances, deposits, prepayments and other receivables	12	22,452,249	22,312,904
Cash and bank balances	13	118,868,496	138,635,542
		167,322,514	195,084,191
TOTAL ASSETS		<u>270,080,341</u>	<u>324,488,091</u>
EQUITY AND LIABILITIES			
CAPITAL RESERVES			
Authorized capital	14	100,000,000	100,000,000
Issued, subscribed and paid-up capital	14	50,000,000	50,000,000
Capital Reserve			
General reserve		2,720,820	2,720,820
Surplus on revaluation of property and equipment	15	20,414,726	22,682,744
		23,135,546	25,403,564
Revenue Reserve			
Unappropriated profit		118,004,554	117,946,077
Surplus on re-measurement of equity investment at FVOCI		2,247,440	25,235,111
		120,251,994	143,181,188
Total equity		<u>193,387,540</u>	<u>218,584,752</u>
NON-CURRENT LIABILITIES			
Long term loan	16	5,692,682	5,385,748
CURRENT LIABILITIES			
Trade and other payable	17	71,000,119	100,517,591
TOTAL EQUITY AND LIABILITIES		<u>270,080,341</u>	<u>324,488,091</u>
Contingencies and commitments	18		

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


Chief Executive

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Sakarwala Capital Securities (Pvt) Ltd.


Director

SAKARWALA CAPITAL SECURITIES (PRIVATE) LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022 -----Rupees-----	2021
Operating revenue	19	27,876,088	47,963,248
Capital gain on sale of investments - net		911,762	6,032,535
Unrealised gain on re-measurement of investments at FVTPL		561,760	-
Dividend income		711,136	-
		30,060,746	53,995,783
Operating and administrative expenses	20	(43,067,264)	(54,087,048)
Financial charges	21	(355,603)	(409,811)
Other income	22	11,570,465	57,149,181
(Loss)/profit before taxation		(1,791,656)	56,648,105
Taxation	23	(418,141)	(719,449)
(Loss)/profit after taxation		(2,209,797)	55,928,657
(Loss)/Earning per share - Basic and Diluted		(4.42)	111.86

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


Chief Executive


Director

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Sakarwala Capital Securities (Pvt) Ltd.

SAKARWALA CAPITAL SECURITIES (PRIVATE) LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2022

	2022	2021
	-----Rupees-----	
(Loss)/profit for the year	(2,209,797)	55,928,657
Other comprehensive income:		
Items that will not be reclassified subsequently to profit or loss		
Unrealised (loss)/gain on re-measurement of Investment at FVOCI	(22,987,671)	23,615,646
Total comprehensive (Loss)/Income for the year	(25,197,468)	79,544,303

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Chief Executive



Director

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