



**Rahman Sarfaraz Rahim Iqbal Rafiq**

CHARTERED ACCOUNTANTS

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## INDEPENDENT AUDITOR'S REVIEW REPORT ON THE STATEMENT OF NET CAPITAL BALANCE

To the Chief Executive Officer of M/s. Sakarwala Capital Securities (Private) limited

### Introduction

We have reviewed the accompanying Statement of Net Capital Balance of M/s. Sakarwala Capital Securities (Private) Limited ('the Company') as at **December 31, 2019** and notes thereto (here-in-after referred to as "the Statement"). Management is responsible for the preparation and presentation of the Statement in accordance with the requirements of the Second Schedule to the Securities Brokers (Licensing and Operations) Regulations, 2016 read with Rule 2(d) of the Securities and Exchange Rules, 1971 issued by the Securities and Exchange Commission of Pakistan (SECP). Our responsibility is to express a conclusion on the Statement based on our review.

### Scope of Review

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


### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Statement of Net Capital Balance as at December 31, 2019 is not prepared, in all material respects, in accordance with the requirements of the Second Schedule to the Securities Brokers (Licensing and Operations) Regulations, 2016 read with Rule 2(d) of the Securities and Exchange Rules, 1971 issued by the Securities and Exchange Commission of Pakistan (SECP).

### Emphasis of Matter

We draw attention to Note 1 to the Statement which describes its basis of preparation. It further states that the Statement has been prepared solely to assist the Company in meeting its reporting requirements under Regulation 6(3) of the Securities Brokers (Licensing and Operations) Regulations, 2016. As a result, the Statement may not be suitable for another purpose. Our review report is intended solely for the Company, SECP, PSX and NCCPL and should not be distributed to parties other than those specified above. Our conclusion is not modified in respect of this matter.

The engagement partner on the review resulting in this independent auditor's review report is **Mr. Muhammad Rafiq Dosani**.

  
**RAHMAN SARFARAZ RAHIM IQBAL RAFIQ**  
Chartered Accountants

Karachi

Date: 13 MAR 2020

**SAKARWALA CAPITAL SECURITIES (PRIVATE) LIMITED**  
**STATEMENT OF NET CAPITAL BALANCE AS AT Dec 31, 2019**

Excess of Current Assets over Current Liabilities determined in accordance with the Third Schedule of Securities and Exchange Rules, 1971 read with the SECP guidelines

DESCRIPTION	VALUATION	RUPEES
<b><u>CURRENT ASSETS</u></b>		
Cash and Bank Balances	As per Book Value	127,972,861
Trade Receivables	Book Value less overdue for more than 14 days	17,721,191
Investment in listed securities in the name of broker.	Securities marked to market less 15% discount	-
Securities purchased for client	Securities purchased for the client and held by the member where the payment has not been received within 14 days.	4,118,124
Listed TFCs/Corporate Bonds of not less than BBB grade assigned by a credit rating company in Pakistan	Marked to market less 10% discount.	-
FIBs	Marked to market less 5% discount.	-
Treasury Bill	At market value	-
		<b>149,812,176</b>
<b><u>CURRENT LIABILITIES</u></b>		
Trade Payables	Book value less overdue for more than 30 days	59,031,734
Other Liabilities	As per Book values	18,521,742
		<b>77,553,476</b>
<b>NET CAPITAL BALANCE AS AT Dec 31, 2019</b>		<b>72,258,700</b>

***Note 1 - Basis of preparation and restriction on use***

This Statement of Net Capital Balance ('the Statement') has been prepared and presented in accordance with the requirements of Regulation 6(3) of the Securities Brokers (Licensing and Operations) Regulations, 2016, Schedule II to the said regulations as well as the clarifications with respect to computation of net capital balance issued by the Securities and Exchange Commission of Pakistan (SECP) from time to time. The Statement has been prepared solely to assist M/s. Sakarwala Capital Securities (Private) Limited in meeting its reporting requirements under the aforesaid regulation and, thus, is for the sole use of the SECP, Pakistan Stock Exchange Limited (PSX) and National Clearing Company of Pakistan Limited (NCCPL). Accordingly, the Statement is not suitable for, and should not be used for, any other purpose.

CHIEF EXECUTIVE OFFICER



DIRECTOR

**SAKARWALA CAPITAL SECURITIES (PRIVATE) LIMITED**  
**STATEMENT OF NET CAPITAL BALANCE AS AT DECEMBER 31, 2019**  
*Excess of Current Assets over Current Liabilities determined in accordance with the*  
*Third Schedule of Securities and Exchange Rules, 1971 read with the SECP guidelines*

**Notes to the statement**

	Rupees
<b>1 Cash and bank balances</b>	
Deposit against Exposure	350,000
Bank balance pertaining to clients	73,882,257
Bank balance pertaining to brokerage house	53,740,605
	<u>127,972,861</u>
<b>2 Trade receivables</b>	
<i>Receivable against Ready Market</i>	
Book value	10,836,404
Less: overdue for more than 14 days	(7,044,659)
	3,791,745
Balance against unsettled trade future market	110,975
<i>Receivable against MF</i>	13,818,471
	<u>17,721,191</u>
<b>3 Securities purchased for client</b>	
<i>Against Ready market</i>	
Overdue balance for more than 14 days	7,044,659
Lower of overdue balance and securities held against such balance	4,118,124
<b>4 Trade payables</b>	
Book value	73,841,816
Less: overdue for more than 30 days	(14,810,082)
	<u>59,031,734</u>
<b>5 Other liabilities</b>	
Creditors overdue for more than 30 days	14,810,082
Accrued Expenses & Other Payables	3,711,659
	<u>18,521,742</u>

CHIEF EXECUTIVE OFFICER



DIRECTOR