

Review report on Statement of Net Capital Balance

To the Chief Executive Officer of **Sakarwala Capital Securities (Private) Limited**

Introduction

We have reviewed the accompanying Statement of Net Capital Balance of **Sakarwala Capital Securities (Private) Limited as at 31st December 2020** and notes to the Statement of Net Capital Balance (here-in-after referred to as the 'Statement'). Management is responsible for the preparation of the statement in accordance with the requirements of the Second Schedule of the Securities Brokers (Licensing and operations) Regulations, 2016 (the regulations) issued by the Securities & 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 review of historical financial information performed by the independent auditor of Securities Broker. A review of historical financial information consist 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 the 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 is not prepared, in all material respects, in accordance with the requirements of Second Schedule of the Regulations.

Other Matter- Restriction on Distribution and Use

Our report is intended solely for **Sakarwala Capital Securities (Private) Limited, SECP, Pakistan Stock Exchange and National Clearing Company of Pakistan Limited** and should not be distributed to any other parties. Our conclusion is not modified in respect of this matter.

UHY Hassan Naeem & Co.

Imran Iqbal
Karachi
08th March 2021

SAKARWALA CAPITAL SECURITIES (PRIVATE) LIMITED

Net Capital Balance As At 31 December 2020

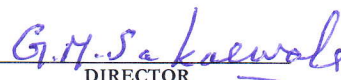
DESCRIPTION	VALUATION BASIS		Rupees VALUE
<u>CURRENT ASSETS</u>			
Cash in hand	As per book value		-
Cash at bank	Bank balances pertaining to brokerage house	10,582,798	
	Bank balances pertaining to client	74,708,489	85,291,287
	Total bank balances		
Deposits against exposure and losses	As per book value	4,800,000	4,800,000
Trade Receivable	Book Value	24,041,914	
	Less: overdue for more than 14 days	(3,372,171)	
	Book Value less Overdue for more than 14 days		20,669,743
Investment in Listed Securities in the name of broker	Market value	53,113,470	
	Less: 15% discount	(7,967,021)	45,146,450
Securities purchased for client	Securities purchased for the client and held by the member where the payment has not been received within 14 days.		406,996
Receivable under margin financing	Book Value		10,566,585
Listed Term Finance Certificates/Corporate Bonds (Not less than BBB grade)	Market value	-	
	Less: 10% discount		
Federal Investment Bonds	Market value	-	
	Less: 15% discount		
Treasury bills	Market value		
			76,789,773
			166,881,060
<u>CURRENT LIABILITIES</u>			
Trade Payable	Book value	74,620,621	
	Less: Overdue for more than 30 days	(21,646,061)	52,974,559
Other liabilities	Overdue for more than 30 days	21,646,061	
	As classified under the generally accepted accounting principles.	8,316,232	29,962,293
			83,944,207

Net Capital Balance As At 31 December 2020



CHIEF EXECUTIVE




DIRECTOR

Notes To The Net Capital Balance Certificate
SAKARWALA CAPITAL SECURITIES (PRIVATE) LIMITED
As On December 31, 2020

1 STATEMENT OF COMPLIANCE

The statement of net capital balance of the Company ('the Statement') of **SAKARWALA CAPITAL SECURITIES (PRIVATE) LIMITED** ('the Company') has been prepared in accordance with the Rule 2(d) of, and Third Schedule to the Securities and Exchange Rules, 1971 and in accordance with the clarifications /guidelines issued by Securities and Exchange Commission of Pakistan (SECP). All figures have been obtained from the unaudited financial statements of the Company for the period ended December 31, 2020.

2 BANK BALANCES AND CASH DEPOSITS

Cash in Hand	-
Bank Balances pertaining to house	10,582,798
Bank Balances pertaining to client	74,708,489
	85,291,287
Deposit at clearing house	4,800,000
	90,091,287

3 TRADE RECEIVABLES

These are valued at cost less bad and doubtful debts (if any) and debt long outstanding for more than 14 days.

Book Value	24,041,914
Over Due for more than 14 Days	(3,372,171)
	20,669,743

4 SECURITIES PURCHASED FOR CLIENTS

These amount represent to the lower of value of securities appearing in the clients respective sub account to the extent of over due balance for more than 14 days or value of investments.

406,996

5 RECEIVABLE UNDER MARGIN FINANCING

This represents receivable under margin financing.

10,566,585

6 INVESTMENT IN LISTED SECURITIES IN THE NAME OF BROKER

These includes Investments in following listed equity Securities valued at market rates prevailing as on December 31, 2020 less discount as prescribed in Rule 2 (d) of the Third Schedule to the Securities and Exchange Rules, 1971.

Less 15% Marked to Market

53,113,470
(7,967,021)
45,146,450

7 TRADE PAYABLES

This represent balance payable against trading of shares less trade payable balances overdue for more than 30 days which has been included in other liabilities.

Book Value
Less Over Due more than 30 days

74,620,621
(21,646,061)
52,974,559



8 OTHER LIABILITIES

These represents current liabilities, other than trade payable which are due within 30 days. Other liabilities are stated at book value.

Over Due More than 30 Days

Accrued and other liabilities

21,646,061

8,316,232

29,962,293

DATE OF ISSUANCE

This statement is being issued on 08 MAR 2021




CHIEF EXECUTIVE


DIRECTOR