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Rahman Sarfaraz Rahim Iqbal Rafiq

CHARTERED ACCOUNTANTS

nt of the Financial Statements

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ash flows for the year then ended, and notes to the financial statements,
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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, 2019**, 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 ('the financial statements'), 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, 2019** 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.

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.

Cont'd... P/2

SAKARWALA CAPITAL SECURITIES (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2019

	Note	2019	2018
EQUITY AND LIABILITIES		Rupees	
Share capital and reserve			
Authorized capital	5	50,000,000	50,000,000
Issued, subscribed and paid-up capital	5	50,000,000	50,000,000
Revenue reserve			
Unappropriated profit		56,376,503	59,926,200
Surplus on revaluation of investment carried at fair value through other comprehensive income		7,518,620	20,363,553
		63,895,123	80,289,753
Capital reserve			
Capital contribution from director	6	2,720,820	2,720,820
		116,615,943	133,010,573
Non-current liabilities			
Subordinated loan from director	6	4,660,812	4,335,639
Current liabilities			
Trade and other payables	7	27,203,878	36,084,850
Total equity and liabilities		148,480,633	173,431,062
Contingencies and commitments	8	-	-
ASSETS			
Non-current assets			
Property and equipment	9	817,523	1,027,667
Investment property	10	1,535,095	2,646,715
Intangible assets	11	3,250,000	3,250,000
Long term deposits	12	4,010,000	6,110,000
Long term investment	13	24,738,389	37,583,322
		34,351,007	50,617,704
Current assets			
Trade debts	14	11,138,625	5,648,450
Receivable against margin financing		18,704,946	29,233,713
Advances, trade deposits and other receivables	15	2,746,452	2,595,560
Tax refund due from government - net		14,233,795	12,488,911
Bank balances	16	67,305,808	72,846,724
		114,129,626	122,813,358
Total assets		148,480,633	173,431,062

The annexed notes from 1 to 28 form an integral part of these financial statements.

CHIEF EXECUTIVE

G.M. Sakarwala

DIRECTOR

SAKARWALA CAPITAL SECURITIES (PRIVATE) LIMITED
STATEMENT OF PROFIT OR LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2019

	Note	**2019**	2018
		Rupees	
Operating revenue	*17*	**12,821,779**	12,679,043
Administrative expenses	*18*	**(17,306,056)**	(23,211,447)
Financial charges	*19*	**(335,276)**	(225,273)
		(17,641,332)	(23,436,720)
Other income	*20*	**1,398,989**	280,608
Loss before taxation		**(3,420,564)**	(10,477,069)
Taxation	*21*	**(177,760)**	(3,458,171)
Loss after taxation		**(3,598,324)**	(13,935,240)
Loss per share - basic and diluted	*22*	**(7.20)**	(27.87)

The annexed notes from 1 to 28 form an integral part of these financial statements.

CHIEF EXECUTIVE

G.H. Sakarwala
DIRECTOR