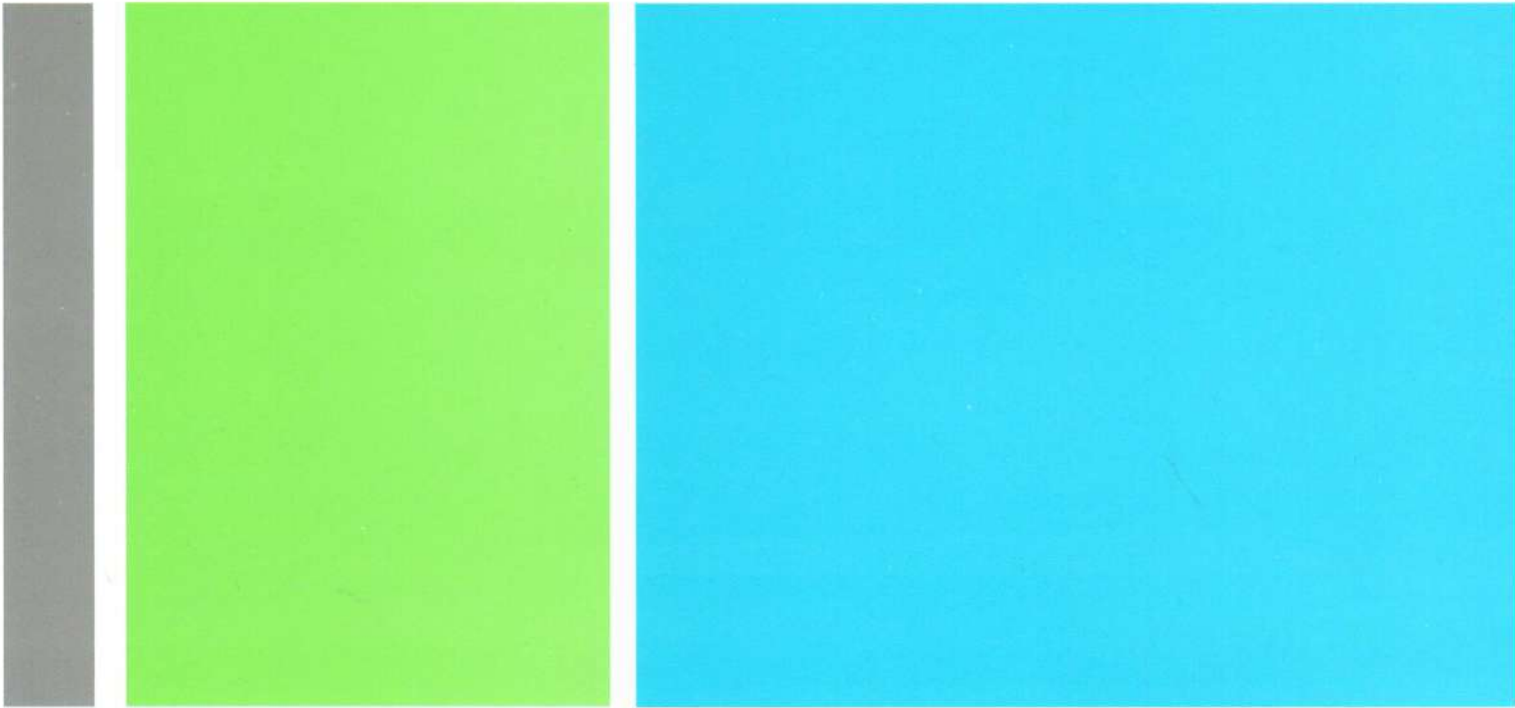


**Assurance Department**



**KHADIM ALI SHAH BUKHARI SECURITIES  
(PRIVATE) LIMITED  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020**

**INDEPENDENT AUDITOR'S REPORT****To the members of Khadim Ali Shah Bukhari Securities (Private) Limited****Report on the Audit of the Financial Statements****Opinion**

We have audited the annexed financial statements of Khadim Ali Shah Bukhari Securities (Private) Limited (the Company), which comprise the statement of financial position as at June 30, 2020, 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, 2020 and of the profit, and other comprehensive income, 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.

#### **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 skepticism 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.

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; and
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980)

The engagement partner on the audit resulting in this independent auditor's report is Adnan Zaman.

  
Chartered Accountants  
Karachi  
Dated: 07 OCT 2020

KHADIM ALI SHAH BUKHARI SECURITIES (PRIVATE) LIMITED  
STATEMENT OF FINANCIAL POSITION  
AS AT JUNE 30, 2020

	Note	2020	2019
-----Rupees-----			
<b>Non-current assets</b>			
Property and equipment	3	18,192,920	18,301,678
Intangible assets	4	7,500,000	10,000,000
Security deposit	5	815,900	1,807,500
Long term investment	6	19,605,539	19,158,232
		46,114,359	49,267,410
<b>Current assets</b>			
Advances, accrued income and other receivables	7	12,337,000	6,471,695
Trade debtors	8	273,737,280	69,256,423
Exposure Deposits with NCCPL - considered good		13,051,278	26,800,000
Taxation-net	9	3,023,810	1,859,390
Government treasury bills - at amortized cost	10	58,230,903	69,360,324
Short term investments	11	67,001,096	1,223,458
Cash and bank balances	12	105,709,454	28,014,511
		533,090,821	202,985,801
		<u>579,205,180</u>	<u>252,253,211</u>
<b>Equity and liabilities</b>			
<b>Authorized share capital</b>			
20,000,000(2019:2,000,000)ordinary shares of Rs. 10/- each		<u>200,000,000</u>	<u>200,000,000</u>
Issued, subscribed & paid up share capital	13	167,298,730	136,201,150
Advance against issue of shares		723,720	29,108,552
Share premium		110,416,687	27,512,160
Revaluation surplus on Intangible asset		1,362,873	3,723,210
Unappropriated profits		(16,739,143)	(22,356,363)
		263,062,867	174,188,709
<b>Non-current liabilities</b>			
Deferred tax	14	3,492,295	4,213,141
<b>Current liabilities</b>			
Trade and other payables	15	312,650,018	73,851,361
Contingencies and commitments	16	-	-
<b>Total equity and liabilities</b>		<u>579,205,180</u>	<u>252,253,211</u>

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

  
Chief Executive Officer

  
Director

KHADIM ALI SHAH BUKHARI SECURITIES (PRIVATE) LIMITED  
STATEMENT OF PROFIT OR LOSS  
FOR THE YEAR ENDED JUNE 30, 2020

	Note	2020	2019
-----Rupees-----			
Operating Revenue	17	44,837,384	12,298,171
Capital gain / (loss) on sale of open ended mutual funds		963,938	(596,714)
Unrealised gain on remeasurement of investments at FVTPL		1,236,144	8,819,962
		<u>47,037,466</u>	<u>20,521,419</u>
Administrative and operating expenses	18	63,675,430	36,948,028
Finance cost		83,186	43,046
		<u>(63,758,616)</u>	<u>(36,991,074)</u>
Other income	19	25,634,566	9,379,397
Loss before taxation		<u>8,913,416</u>	<u>(7,090,258)</u>
Taxation	20	(3,296,196)	(4,155,632)
Profit/ (Loss) for the year		<u><u>5,617,220</u></u>	<u><u>(11,245,890)</u></u>
Loss Per Share - basic and diluted	21	<u><u>0.57</u></u>	<u><u>(0.64)</u></u>

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

  
Chief Executive Officer

  
Director



KHADIM ALI SHAH BUKHARI SECURITIES (PRIVATE) LIMITED  
 STATEMENT OF COMPREHENSIVE INCOME  
 FOR THE YEAR ENDED JUNE 30, 2020

Note	2020	2019
	-----Rupees-----	
Profit/(Loss) after taxation	5,617,220	(11,245,890)
Other comprehensive income for the year		
<i>Items that will not be subsequently reclassified to profit or loss</i>		
Reversal of revaluation surplus on TRE Certificate	(2,500,000)	-
Deferred tax liability on revaluation of TRE Certificate	139,663	(696,329)
Total comprehensive income	<u>3,256,883</u>	<u>(11,942,219)</u>

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

*Adler*

  
 Chief Executive Officer

  
 Director

KHADIM ALI SHAH BUKHARI SECURITIES (PRIVATE) LIMITED  
STATEMENT OF CASHFLOWS  
FOR THE YEAR ENDED JUNE 30, 2020

	2020	2019
	-----Rupees-----	
<b>Cash flows from operating activities</b>		
Loss before taxation	8,913,416	(7,090,258)
<b>Adjustments for:</b>		
Depreciation	2,102,706	1,734,749
Provision for doubtful debts	-	1,000,000
(Gain) / Loss on sale of investments	(963,938)	596,714
Net loss / (gain) in value of investment at FVTPL	(1,236,144)	(8,819,962)
Dividend income	(121,705)	(1,908,331)
Markup on margin deposits	(18,956,622)	(5,784,141)
Mark up on bank deposits	(2,402,161)	(32,881)
Markup on term finance certificates	-	(121,280)
Markup on government treasury bills	(2,955,758)	(1,532,764)
Finance cost	83,186	43,046
	(15,537,020)	(21,915,108)
<b>Change in operating assets/liabilities</b>		
Advances & accrued income	(5,865,305)	(3,220,912)
Trade Debtors-Considered Good	(204,480,858)	(69,256,423)
Exposure Deposits with NCCPL-considered good	13,748,722	(26,700,000)
Accounts payable	238,798,657	57,102,892
	26,664,197	(63,989,551)
Finance cost paid	(83,186)	(43,046)
Income tax paid	(5,041,799)	(2,128,327)
<b>Net cash generated / (used in) operating activities</b>	21,539,212	(66,160,924)
<b>Cash flow from investing activities</b>		
Net investment in Listed shares	(1,154,087)	-
Net proceeds from Investment in TFC	-	2,633,531
Net investment in Open Ended Funds	(62,870,777)	(1,813,461)
Net investment in Government Treasury Bills	11,129,421	(68,550,860)
Purchase of fixed assets	(1,993,948)	(1,820,361)
Dividend received	121,705	1,908,331
Markup received on margin deposits	18,956,622	5,784,141
Mark up received on bank deposits	2,402,161	32,881
Markup received on term finance certificates	-	121,280
Markup received on government treasury bills	2,955,758	1,532,764
<b>Net cash generated used in investing activities</b>	(30,453,144)	(60,171,755)
<b>Cash flow from financing activities</b>		
Long term deposit	991,600	(1,045,000)
Proceeds for issuance of shares	114,002,107	112,153,060
Advance against Issuance of shares-received	(28,384,832)	15,783,902
<b>Net cash generated from financing activities</b>	86,608,875	126,891,962
<b>Net decrease in cash and cash equivalent (A+B+C)</b>	77,694,943	559,283
Cash and cash equivalent at the beginning of the year	28,014,511	27,455,228
<b>Cash and cash equivalent at the end of the year</b>	105,709,454	28,014,511

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

  
Chief Executive Officer

  
Director