



THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING



ASSURANCE DEPARTMENT

KHADIM ALI SHAH BUKHARI SECURITIES
(PRIVATE) LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

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, 2018, and the statement of profit or loss, 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, 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, 2018 and of the profit and 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 / Institute of Cost and management Accountants (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.

We have determined that there are no key audit matters to communicate in our report.

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, 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.

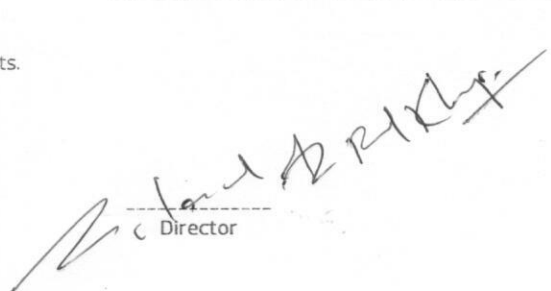

RSM Chartered Accountants
Karachi
Dated: 01 OCT 2018

KHADIM ALI SHAH BUKHARI SECURITIES (PRIVATE) LIMITED
BALANCE SHEET
AS AT JUNE 30, 2018

	Note	2018 Rupees	Restated 2017 Rupees	Restated 2016 Rupees
Non-current assets				
Property and equipment	5	18,216,066	16,341,262	473,362
Intangible assets	6	10,000,000	15,000,000	15,000,000
Security Deposit	7	762,500	300,000	300,000
Long term investment	8	10,344,980	9,784,500	9,928,388
		39,323,546	41,425,761	25,701,750
Current assets				
Advances, accrued income and other receivables	9	5,160,248	3,295,851	3,309,108
Advance tax		369,883	466,059	370,623
Investment in TFC	10	2,633,531	4,720,859	6,199,574
Cash and bank balances	11	27,455,228	3,326,780	1,015,025
		35,618,891	11,809,549	10,894,330
		<u>74,942,437</u>	<u>53,235,310</u>	<u>36,596,080</u>
Equity and liabilities				
Authorized share capital				
20,000,000(2017:2,000,000)ordinary shares of Rs. 10/- each		<u>200,000,000</u>	<u>20,000,000</u>	<u>20,000,000</u>
Issued, subscribed & paid up share capital	12	51,560,250	17,000,000	17,000,000
Advance against issue of shares		13,324,650	24,884,900	8,884,900
Fair Value Reserve on Available for Sale Investment		925,441	364,961	508,849
Unappropriated profit/(loss)		(12,035,914)	1,378,280	603,075
		53,774,427	43,628,141	26,996,824
Revaluation surplus on intangible asset		4,419,539	9,419,539	9,419,539
Current liabilities				
Trade and other payables	13	16,748,471	125,530	131,250
Provision for tax		-	62,100	48,466
Contingencies and commitments	14	-	-	-
Total equity and liabilities		<u>74,942,437</u>	<u>53,235,310</u>	<u>36,596,080</u>

The annexed notes 1 to 21 form an integral part of these financial statements.


Chief Executive Officer


Director

KHADIM ALI SHAH BUKHARI SECURITIES (PRIVATE) LIMITED
 PROFIT AND LOSS ACCOUNT
 FOR THE YEAR ENDED JUNE 30, 2018

	Note	2018 Rupees	Restated 2017 Rupees
Operating Revenue	15	146,895	-
Capital Gain on Sale of Listed Investments		50	-
Unrealised gain on remeasurement of investments		(212,328)	21,285
		<u>(65,383)</u>	<u>21,285</u>
Expenditures			
Administrative and Operating Expenses	16	14,349,652	539,962
Finance Cost		1,973	1,113
		<u>(14,351,625)</u>	<u>(541,075)</u>
Other income	17	1,193,142	1,357,095
Profit / (loss) before taxation		<u>(13,223,867)</u>	<u>837,305</u>
TAXATION	18	(190,328)	(62,100)
Profit / (loss) for the year		<u><u>(13,414,194)</u></u>	<u><u>775,205</u></u>
(Loss) / Earnings Per Share-Basic and Diluted	19	<u><u>(2.60)</u></u>	<u><u>0.46</u></u>

please

The annexed notes 1 to 21 form an integral part of these financial statements.


 Chief Executive Officer

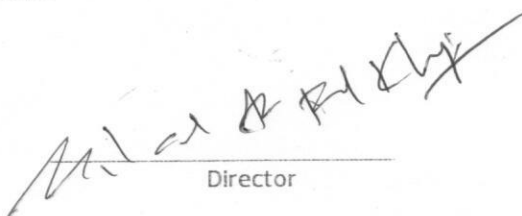

 Director

KHADIM ALI SHAH BUKHARI SECURITIES (PRIVATE) LIMITED
 CASH FLOW STATEMENT
 FOR THE YEAR ENDED JUNE 30, 2018

	2018 Rupees	Restated 2017 Rupees
Cash flows from operating activities		
Profit / (loss) before taxation	(13,223,867)	837,305
Adjustments for:		
Depreciation	1,157,348	132,100
Net Loss/(gain) on remeasurement of investment held for trading	212,328	(21,285)
	<u>(11,854,191)</u>	<u>948,120</u>
Change in operating assets/Liabilities		
Advances & accrued income	(1,864,398)	13,257
Accounts payable	16,622,941	(5,720)
	<u>2,904,353</u>	<u>7,537</u>
Income tax paid	(156,252)	(143,902)
Net cash (used in) / generated from operating activities	<u>2,748,100</u>	<u>811,755</u>
Cash flow from investing activities		
Investment in TFC	1,875,000	1,500,000
Investment in shares	-	-
Purchase of fixed assets	(3,032,152)	-
Net cash generated from / (used in) investing activities	<u>(1,157,152)</u>	<u>1,500,000</u>
Cash flow from financing activities		
Long term deposit	(462,500)	-
Advance against issuance of shares-received	23,000,000	-
Net cash (used in) / generated from financing activities	<u>22,537,500</u>	<u>-</u>
Net decrease in cash and cash equivalent (A+B+C)	<u>24,128,448</u>	<u>2,311,755</u>
Cash and cash equivalent at the beginning of the year	3,326,780	1,015,025
Cash and cash equivalent at the end of the year	<u><u>27,455,228</u></u>	<u><u>3,326,780</u></u>

The annexed notes 1 to 21 form an integral part of these financial statements.


 Chief Executive Officer


 Director

KHADIM ALI SHAH BUKHARI SECURITIES (PRIVATE) LIMITED
 STATEMENT OF CHANGES IN EQUITY
 FOR THE YEAR ENDED JUNE 30, 2018

	Share capital	Advance against issue of shares	Fair Value Reserve on Available for Sale Investment	Unappropriated profit	Total
	-----Rupees-----				
Balance as at June 30, 2016(Restated)	17,000,000	8,884,900	508,849	603,075	26,996,824
Fair Value Reserve on Available for Sale Investment	-	-	(143,888)	-	(143,888)
Advance against issue of shares consideration against PSX rooms	-	16,000,000	-	-	16,000,000
Profit for the year	-	-	-	775,205	775,205
Balance as at June 30, 2017(restated)	17,000,000	24,884,900	364,961	1,378,280	43,628,141
Advance against issue of shares-Cash	-	23,000,000	-	-	23,000,000
Fair Value Reserve on Available for Sale Investment	-	-	560,480	-	560,480
Shares Allotment during the year	34,560,250	(34,560,250)	-	-	-
Loss for the year	-	-	-	(13,414,194)	(13,414,194)
Balance as at June 30, 2018	51,560,250	13,324,650	925,441	(12,035,914)	53,774,427

During the year the board of directors approved the allotment against cash and otherwise than in cash on November,11,2017.

The annexed notes 1 to 21 form an integral part of these financial statements.


 Chief Executive Officer


 Director