

SHAJARPAK SECURITIES  
(PRIVATE) LIMITED

Financial Statements For The  
Year Ended 30 June 2023



## INDEPENDENT AUDITORS' REPORT

To the members of Shajarpak Securities (Private) Limited

Report on the Audit of the Financial Statements

### Opinion

We have audited the annexed financial statements of Shajarpak Securities (Private) Limited (the Company), which comprise the statement of financial position as at 30 June 2023, and the statement of profit or loss and other 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, the statement of profit or loss and other 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 30 June 2023 and of the profit 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 Auditors' 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.

### Information Other than the Financial Statements and Auditors' Report Thereon

Management is responsible for the other information. The other information comprises the directors' report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent



with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have not been provided with the directors' report hence we have nothing to report in this regard.

### **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 the 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.

### **Auditors' 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 auditors' 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. 2,




- 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 auditors' 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 auditors' 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 and other 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 auditors' report is Mr. Adnan Rasheed. 

**Rahman Sarfaraz Rahim Iqbal Rafiq,**  
**CHARTERED ACCOUNTANTS**  
Lahore: 14 OCT 2023  
UDIN: AR20231070172aY8EsSg

**SHAJARPAK SECURITIES (PRIVATE) LIMITED**  
**STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023**

EQUITY AND LIABILITIES	NOTE	2023 Rupees	2022 Rupees	PROPERTY AND ASSETS	NOTE	2023 Rupees	2022 Rupees
Restated							
<b>SHARE CAPITAL AND RESERVES</b>				<b>NON-CURRENT ASSETS</b>			
Share capital	3	60,000,000	60,000,000	Property and equipment	7	4,946,052	5,148,615
Capital reserve				Intangible assets	8	3,923,823	4,082,025
Fair value reserve - measurement of equity securities at fair value through other comprehensive income		(7,823,959)	2,411,622	Long term deposits		10,092,875	10,453,640
Revenue reserve		18,010,580	13,992,106				
Unappropriated profit		70,186,621	76,403,728				
<b>NON-CURRENT LIABILITIES</b>	4						
Deferred liabilities							
<b>CURRENT LIABILITIES</b>				<b>CURRENT ASSETS</b>			
Trade and other payables	5	17,033,411	18,622,994	Trade debts	9	14,101,433	11,169,606
Provision for taxation		894,301	2,481,743	Short term investments	10	30,296,922	32,191,008
		17,927,712	21,104,737	Loans, advances and prepayments - considered good		2,022,331	1,449,736
<b>CONTINGENCIES AND COMMITMENTS</b>	6			Taxes refundable/ adjustable		1,807,037	3,166,893
				Cash and bank balances	11	29,793,735	39,077,582
						78,021,458	87,054,825
		<b>88,114,333</b>	<b>97,508,465</b>			<b>88,114,333</b>	<b>97,508,465</b>

The annexed notes 1 to 26 form an integral part of these financial statements.

  
**DIRECTOR**

  
**CHIEF EXECUTIVE OFFICER**



**SHAJARPAK SECURITIES (PRIVATE) LIMITED**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2023**

	NOTE	2023 Rupees	2022 Rupees Restated
Operating income	12	7,906,453	9,731,613
Gain on sale of securities - net	13	-	216,184
Other income	14	6,629,184	5,684,950
		14,535,637	15,632,747
Operating expenses	15	(9,619,035)	(9,508,244)
Finance cost		(3,827)	(5,627)
		(9,622,862)	(9,513,871)
Profit before taxation		4,912,775	6,118,876
Provision for taxation	16	(894,301)	(1,091,518)
Profit after taxation for the year		4,018,474	5,027,358
<b>OTHER COMPREHENSIVE INCOME</b>			
Items that will never be reclassified subsequently to the statement of profit or loss:			
Unrealized loss on investment in equity instruments designated as fair value through other comprehensive income		(10,235,581)	(2,103,049)
Items that may be reclassified subsequently to the statement of profit or loss		-	-
Other comprehensive loss for the year		(10,235,581)	(2,103,049)
Total comprehensive (loss)/ income for the year		(6,217,107)	2,924,309
Earnings per share - basic and diluted	17	0.67	1.00

The annexed notes 1 to 26 form an integral part of these financial statements.

  
DIRECTOR

  
CHIEF EXECUTIVE OFFICER



**SHAJARPAK SECURITIES (PRIVATE) LIMITED**

**STATEMENT OF CHANGES IN EQUITY**

**FOR THE YEAR ENDED 30 JUNE 2023**

	Capital reserve		Revenue reserve	Total
	Share capital	Unrealized gain/ (loss) on equity investments at fair value through other comprehensive income	Unappropriated profit	
-----Rupees-----				
Balance as at 01 July 2021	50,000,000	4,487,471	8,991,946	63,479,417
Right issue 1 for 5 shares (Rs.10 each)	10,000,000	-	-	10,000,000
Profit after taxation for the year	-	-	5,027,360	5,027,360
Other comprehensive loss for the year	-	(2,103,049)	-	(2,103,049)
Gain/ (loss) realized on disposal of equity investments classified as at fair value through other comprehensive income	-	300,415	(300,415)	-
	-	(1,802,634)	4,726,945	2,924,311
Balance as at 30 June 2022 (as previously reported)	60,000,000	2,684,837	13,718,891	76,403,728
Effect of retrospective rectification of error		(300,415)	300,415	-
Loss realized on disposal of equity investments classified as at fair value through other comprehensive income		27,200	(27,200)	
Balance as at 30 June 2022 - restated	60,000,000	2,411,622	13,992,106	76,403,728
Profit after taxation for the year	-	-	4,018,474	4,018,474
Other comprehensive loss for the year	-	(10,235,581)	-	(10,235,581)
	-	(10,235,581)	4,018,474	(6,217,107)
Balance as at 30 June 2023	60,000,000	(7,823,959)	18,010,580	70,186,621

The annexed notes 1 to 26 form an integral part of these financial statements.

  
DIRECTOR

  
CHIEF EXECUTIVE OFFICER



**SHAJRPAK SECURITIES (PRIVATE) LIMITED**  
**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2023**

NOTE	2023 Rupees	2022 Rupees Restated
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	4,912,775	6,118,878
Adjustment for:		
Depreciation	239,563	257,765
Amortization of intangible assets	158,202	175,780
Gain on sale of short term investments	-	(216,184)
Dividend income	(6,563,921)	(5,649,064)
Finance cost	3,827	5,626
	<u>(6,162,329)</u>	<u>(5,426,077)</u>
Operating cash flows before working capital changes	(1,249,554)	692,801
<b>Changes in working capital</b>		
(Increase)/ decrease in current assets:		
Trade debts	(2,931,827)	(6,106,940)
Loans, advances and prepayments	(572,595)	(610,135)
Taxes refundable/ adjustable	(920,461)	175,689
Decrease in current liabilities:		
Trade and other payables	(1,589,585)	(16,757,765)
	<u>(6,014,468)</u>	<u>(23,299,151)</u>
Cash used in operations	(7,264,022)	(22,606,350)
Finance cost paid	(3,827)	(5,626)
Income tax paid	(201,426)	(1,091,518)
Net cash used in operating activities	<u>(7,469,275)</u>	<u>(23,703,494)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investments made in property and equipment	(37,000)	(89,000)
Long term deposits	-	(200,000)
Increase in short term investments	(4,512,088)	(15,905,133)
Proceeds from sale of investments	-	6,586,044
Dividend received	2,734,516	5,649,063
Net cash used in investing activities	<u>(1,814,572)</u>	<u>(3,959,026)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Right shares issued	-	10,000,000
Net cash generated from financing activities	<u>-</u>	<u>10,000,000</u>
Net decrease in cash and cash equivalents during the year	(9,283,847)	(17,662,520)
Cash and cash equivalents at the beginning of the year	39,077,582	56,740,102
Cash and cash equivalents at the end of the year	<u>29,793,735</u>	<u>39,077,582</u>

11

The annexed notes 1 to 26 form an integral part of these financial statements.

  
DIRECTOR

  
CHIEF EXECUTIVE OFFICER





