

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF NINI SECURITIES (PRIVATE) LIMITED
ON THE AUDIT OF THE FINANCIAL STATEMENTS**

Opinion

We have audited the annexed financial statements of **Nini Securities (Private) Limited** which comprise the statement of financial position as at June 30, 2019, and the statement of profit or loss and other comprehensive income, the statement of changes in equity and 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 June 30, 2019 and of the loss, its 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.

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 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 is deductible at source under the Zakat and Ushr Ordinance, 1980.
- e) the Company was in compliance with the requirement of section 78 of the Securities Act 2015 and the relevant requirements of Securities Brokers (Licensing and Operations) Regulations 2016 as at the date on which the statement of financial position was prepared.

The engagement partner on the audit resulting in this independent auditor's report is **Mohammad Iqbal**.

RHzw Reanda Haroon Zakaria & Co
Reanda Haroon Zakaria & Company
Chartered Accountants

Place: Karachi

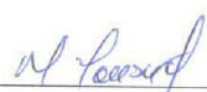
Dated: 13 SEP 2019

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

	Note	2019 Rupees	2018 Rupees Restated	2017 Rupees Restated
<u>ASSETS</u>				
Non-Current Assets				
Property and equipment	5	9,196,217	10,018,878	8,445,547
Intangible assets	6	2,995,521	3,050,579	5,611,754
Long term investment	7	-	31,658,322	41,163,833
Long term deposits	8	300,000	300,000	200,000
		12,491,738	45,027,779	55,421,134
Current Assets				
Trade debts	9	5,657,773	2,552,724	903,961
Deposits	10	2,025,000	25,000	15,853,716
Loans	11	382,000	95,500	4,988,269
Short term investments	12	24,417,834	-	-
Tax refunds due from Government	13	354,810	190,617	175,040
Cash and bank balances	14	60,206,150	79,084,421	60,130,140
		93,043,567	81,948,262	82,051,126
Total Assets		105,535,305	126,976,041	137,472,260
<u>CAPITAL & LIABILITIES</u>				
Share Capital and Reserves				
Authorized Capital				
10,000,000 Ordinary shares of Rs. 10 each		100,000,000	100,000,000	100,000,000
Issued, subscribed and paid-up capital	15	100,000,000	100,000,000	100,000,000
Revenue reserve				
Unappropriated profit		2,925,218	19,723,416	33,995,248
Shareholders' equity		102,925,218	119,723,416	133,995,248
Non-Current Liabilities				
Deferred taxation	16	-	104,072	35,337
Current Liabilities				
Trade and other payables	17	2,610,087	7,148,553	1,441,675
Short term borrowing		-	-	2,000,000
		2,610,087	7,148,553	3,441,675
Contingencies & Commitments	18			
Total Equity and Liabilities		105,535,305	126,976,041	137,472,260

The annexed notes from 1 to 29 form an integral part of these financial statements.


Chief Executive



NINI SECURITIES (PRIVATE) LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2019

	<i>Note</i>	<i>2019</i> <i>Rupees</i>	<i>2018</i> <i>Rupees</i> <i>Restated</i>
Operating revenue	19	2,182,142	3,922,909
Operating and administrative expenses	20	<u>(7,253,620)</u>	<u>(6,169,624)</u>
Operating loss		(5,071,478)	(2,246,715)
Other income	21	96,846	740,079
Other expenses	22	<u>(11,887,985)</u>	<u>(12,283,563)</u>
Loss before taxation		(16,862,617)	(13,790,199)
Taxation - net	23	64,419	(481,633)
Loss after taxation		(16,798,198)	(14,271,832)
Other comprehensive income		-	-
Total comprehensive loss		<u>(16,798,198)</u>	<u>(14,271,832)</u>

The annexed notes from 1 to 29 form an integral part of these financial statements.



 Chief Executive



 Director

NINI SECURITIES (PRIVATE) LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2019

	<i>2019</i> <i>Rupees</i>	<i>2018</i> <i>Rupees</i> <i>Restated</i>
A. CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	(16,862,617)	(13,790,199)
Adjustment for:		
Depreciation	822,661	624,169
Amortization	55,058	61,175
Remeasurement loss on investments	11,573,598	9,505,511
Impairment	-	2,500,000
	12,451,317	12,690,855
Cash used in operating activities before working capital changes	(4,411,300)	(1,099,344)
Working capital changes		
(Increase) / decrease in current assets		
Trade debts	(3,105,049)	(1,648,763)
Deposits	(2,000,000)	15,828,716
Loans	(286,500)	4,892,769
(Decrease) / increase in current liabilities		
Trade and other payables	(4,538,466)	5,706,878
	(9,930,015)	24,679,600
Cash (used in) / generated from operations	(14,341,315)	23,580,256
Taxes paid - net	(203,846)	(428,475)
Net cash (used in) / generated from operating activities	(14,545,161)	23,151,781
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Short term investment made	(4,333,110)	-
Capital expenditure incurred	-	(2,197,500)
Net cash used in investing activities	(4,333,110)	(2,197,500)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Short term borrowing	-	(2,000,000)
Net cash generated from / (used in) financing activities	-	(2,000,000)
Net increase in cash and cash equivalents (A+B+C)	(18,878,271)	18,954,281
Cash and cash equivalents at the beginning of the year	79,084,421	60,130,140
Cash and cash equivalents at the end of the year	60,206,150	79,084,421

The annexed notes from 1 to 29 form an integral part of these financial statements.


Chief Executive


Director