

INDEPENDENT AUDITORS REPORT ON STATEMENT OF NET CAPITAL BALANCE**To the Chief Executive Officer of Dr. Arslan Razzaque Securities (Pvt) Ltd (Formerly Dr. Arslan Razzaque Securities (SMC-Pvt) Ltd (the Securities Broker)****Opinion**

We have audited the Statement of Net Capital Balance of **Dr. Arslan Razzaque Securities (Pvt) Ltd (Formerly Dr. Arslan Razzaque Securities (SMC-Pvt) Ltd** and notes to the Statement of Net Capital Balance as at June 30, 2017 (together 'the statement').

In our opinion, the financial information in the statement of **Dr. Arslan Razzaque Securities (Pvt) Ltd (Formerly Dr. Arslan Razzaque Securities (SMC-Pvt) Ltd** as at June 30, 2017 is prepared, in all material respects, in accordance with the requirements of the Second Schedule of the Securities Brokers (Licensing and Operations) Regulations, 2016 (the Regulations) read with Rule 2(d) of the Securities Exchange Commission (SEC) Rules 1971 (SEC Rules 1971) issued by the Securities & Exchange Commission of Pakistan (SECP).

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 statement* section of our report. We are independent of the Securities Broker in accordance with the ethical requirements that are relevant to our audit of the statement in Pakistan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Basis of Accounting and Restriction on Distribution

We draw attention to Note (1) to the statement, which describes the basis of accounting. The statement is prepared to assist the **Dr. Arslan Razzaque Securities (Pvt) Ltd (Formerly Dr. Arslan Razzaque Securities (SMC-Pvt) Ltd** to meet the requirements of the SECP, Pakistan Stock Exchange (PSX) and National Clearing Company of Pakistan Limited (NCCPL). As a result, the statement may not be suitable for another purpose. Our report is intended solely for **Dr. Arslan Razzaque Securities (Pvt) Ltd (Formerly Dr. Arslan Razzaque Securities (SMC-Pvt) Ltd**, SECP, PSX and NCCPL and should not be distributed to parties other than **Dr. Arslan Razzaque Securities (Pvt) Ltd (Formerly Dr. Arslan Razzaque Securities (SMC-Pvt) Ltd** or the SECP, PSX or NCCPL. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the statement

Management is responsible for the preparation of the statement in accordance with the Regulations and the SEC Rules 1971, and for such internal control as management determines is necessary to enable the preparation of the statement that is free from material misstatement,

Parker Randall

Parker Randall-A.J.S.
CHARTERED ACCOUNTANTS

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whether due to fraud or error. Those charged with governance is responsible for overseeing the Securities Broker's financial reporting process.

Auditor's Responsibilities for the Audit of the statement

Our objectives are to obtain reasonable assurance about whether the statement is 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 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 this statement.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the statement, 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 Securities Broker's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, and related disclosures made by management.

We communicate with those charged with governance 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.

The engagement partner on the audit resulting in this independent auditor's report is
FAISAL IQBAL KHAWAJA

Parker Randall AJS
PARKER RANDALL A.J.S.
CHARTERED ACCOUNTANT



September 15, 2017

R. ARSLAN RAZAQUE SECURITIES (PVT) LIMITED (FORMERLY DR. ARSLAN RAZAQUE SECURITIES (SMC-PVT) LIMITED)

STATEMENT OF NET CAPITAL BALANCE
AS AT JUNE 30, 2017

(In accordance with Rule 2(d) and Third Schedule of the Securities and Exchange Rules, 1971)

	Notes	RUPEES	RUPEES
Current Assets			
Cash in Hand	2.		13,758,668
Bank balances	3.		
Bank balances pertaining to brokerage house		365,015	
Bank balances pertaining to clients		2,772,900	3,137,915
Trade receivables	4.		
Book value		16,996,850	
Less: Overdue for more than 14 days		(16,543,224)	453,627
Securities purchased for clients	5.		1,177,389
Investment in listed securities in the name of broker	6.		
Securities on the exposure list		35,949,256	
Less: 15% adjustment (as required)		(5,392,388)	30,556,868
			A 49,084,466
Current Liabilities			
Trade Payables	7.		
Book Value		2,434,429	
Less: Overdue for more than 30 days		(505,261)	1,929,168
Other liabilities	8.		
Accrued expenses and other liabilities			653,818
			B 2,582,986
Net Total			(A-B) 46,501,480
Less: Amount allocated for Pakistan Mercantile Exchange Limited			(3,000,000)
NET CAPITAL BALANCE			43,501,480

Zulandh
CHIEF EXECUTIVE OFFICER
September 15, 2017
Lahore

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DIRECTOR



DR. ARSLAN RAZAQUE SECURITIES (PVT) LIMITED (FORMERLY DR. ARSLAN RAZAQUE SECURITIES (SMC-PVT) LIMITED)
 STATEMENT OF NET CAPITAL BALANCE
 NOTES TO THE STATEMENT OF NET CAPITAL BALANCE
 FOR THE PERIOD ENDED JUNE 30, 2017

JUNE 30, 2017
 RUPEES

Notes to the statement

1- BASIS OF ACCOUNTING & PREPARATION

1.1 Statement of Compliance

This statement has been prepared in accordance with the requirements of Rule 2(d) and Third Schedule of Securities and Exchange Rules, 1971.

1.2 Basis of Measurement

The statement has been prepared under the historical cost convention except investment in listed securities which are measured on fair value.

2. CASH IN HAND

Cash in Hand	13,758,668
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3. BANK BALANCES

Pertaining to brokerage house	365,015
Pertaining to clients	2,772,900
	<u>3,137,915</u>

4. TRADE RECEIVABLES

Book value	16,996,850
Overdue for more than 14 days	(16,543,224)
	<u>453,627</u>

5. SECURITIES PURCHASED FOR CLIENTS

Securities purchased for client	<u>1,177,389</u>
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6. INVESTMENT IN LISTED SECURITIES

Securities on the exposure list	35,949,256
15% adjustment (as required)	(5,392,388)
	<u>30,556,868</u>

7. TRADE PAYABLES

Book value	2,434,429
Overdue for more than 30 days	(505,261)
	<u>1,929,168</u>

8. ACCRUED EXPENSES AND OTHER LIABILITIES

Overdue for more than 30 days	505,261
Taxes payables	9,107
Other payables	139,450
	<u>653,818</u>

M. Arslan Razaque
 CHIEF EXECUTIVE OFFICER

September 15, 2017
 Lahore

