

INDEPENDENT AUDITORS REPORT ON STATEMENT OF NET CAPITAL BALANCE**TO THE CHIEF EXECUTIVE OFFICER OF DR. ARSLAN RAZAQUE SECURITIES (PVT.) LIMITED****Opinion**

We have audited the Statement of Net Capital Balance of **Dr. Arslan Razaque (Pvt.) Limited** (the "Securities Broker") and notes to the Statement of Net Capital Balance as at June 30, 2019 (hereinafter collectively referred to as "the statement").

In our opinion, except for the impact (if any) of the matter noted in the *Emphasis of Matter* section of our report, the financial information in the statement of the Securities Broker as at June 30, 2019 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

- **Cash-in-hand**

We were appointed auditors of the Securities Broker on Sep 02, 2019. Due to the date of our appointment, which was subsequent to the reporting date (June 30, 2019), we were unable to perform primary procedures on June 30, 2019 to satisfy ourselves with respect to the existence and accuracy of the Broker's cash-in-hand balance of PKR 13,628,668/-. As such, we have performed alternative procedures which, in our view, are sufficient and appropriate in the circumstances.

- **Basis of Accounting and Restriction on Distribution**

The statement is prepared to assist the Securities Broker 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 any other purpose. Our report is intended solely for the Securities Broker, SECP, PSX and NCCPL, and should not be distributed to parties other than the Securities Broker, 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 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, whether due to fraud or error.

Those charged with governance are 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.

**IECnet S.K.S.S.S.,
Chartered Accountants**

Engagement partner: **Mr. Muhammad Aslam Khan.**
Lahore.

Date: September 14, 2019

DR. ARSLAN RAZAQUE SECURITIES PRIVATE LIMITED
CORPORATE TREC HOLDER OF PAKISTAN STOCK EXCHANGE LIMITED
STATEMENT OF NET CAPITAL BALANCE

(In accordance with Regulation 6(4) of the Securities Brokers' (Licensing & Operations) Regulations, 2016)

AS AT June 30, 2019

<u>A. Description of Current Assets</u>	<u>Basis of Accounting</u>	<u>Notes</u>	<u>Amount</u> <u>(Rupees)</u>
1 Cash in hand & Cash in bank	As per book value.	2	
Cash in hand			13,628,668
Cash at bank-House Account			335,571
Cash at bank-Client Account			2,708,156
			<u>16,672,395</u>
2 Margin Deposits			-
3 Trade receivables	Book value less those over due for more than 14 days.		1,753,149
Less: Out standing for more than 14 days			1,722,027
			<u>31,122</u>
4 Investment in listed securities in the name of company	Securities on the Exposure List to Market less 15 % discount.	3	28,606,321
5 Securities purchased for client			1,301,548
			<u>46,611,386</u>
B. Description of Current Liabilities			
1 Trade Payables	Book value less those overdue for more than 30 days.		430,705
Less: Overdue more than 30 days			430,705
			-
2 Other Liabilities	As classified under the Generally Accepted Accounting Principles.	4	1,062,201
			<u>1,062,201</u>
NET CAPITAL BALANCE			<u><u>45,549,185</u></u>

Arslan Razaque
 Chief Executive



Arslan Razaque
 Director

DR. ARSLAN RAZAQUE SECURITIES PRIVATE LIMITED
MEMBER PAKISTAN STOCK EXCHANGE LIMITED
EXPLANATORY NOTES TO THE NET CAPITAL BALANCE AS AT JUNE 30, 2019

1 BASIS OF ACCOUNTING

This statement of Net Capital Balance has been prepared in accordance with the requirement of the Third Schedule read with rule 2 (d) of the Securities and Exchange Commission (SEC) Rules 1971 and the Securities Brokers (Licensing and Operations) regulations 2016 (Regulations) and the Clarifications / Guidelines in respect of the Third Schedule of the Securities and Exchange Commission (SEC) Rules 1971 issued by the Securities and Exchange Commission of Pakistan.

2 CASH IN HAND AND AT BANK

Cash in hand
Bank balance(s) pertaining to Brokerage House
Bank balance(s) pertaining to Clients

TOTAL (Rupees)	
Cash in hand	13,628,668
Bank balance(s) pertaining to Brokerage House	335,571
Bank balance(s) pertaining to Clients	2,708,156
TOTAL	16,672,395

3

Investment in Listed Securities in the name of Company		Holding as per CDC	Market Value as on June 30 2019.	TOTAL
Security Symbol	Security Name	Position Owned	Rupees	Rupees
ABL	ALLIED BANK LIMITED	2,185	105.02	229,469
AGIL	AGRIAUTO INDUSTRIES LIMITED	240	199.96	47,990
AHCL	ARIF HABIB CORPORATION LIMITED	55	24.71	1,359
AICL	ADAMJEE INSURANCE COMPANY LIMITED	7,980	35.05	279,699
AKBL	ASKARI BANK LIMITED	1,174	18.91	22,200
AKDITFO	AKD INDEX TRACKER FUND	500	11.1	5,550
AKZO	AKZO NOBEL PAKISTAN LIMITED	15	100.05	1,501
ASLPS	AISHA STEEL MILLS LIMITED-PREFERENCE SHARES	5	15	75
ASTL	AMRELI STEELS LIMITED	2,000	24.66	49,320
ATRL	ATTOCK REFINERY LIMITED	8,125	77.27	627,819
AVN	AVANCEON LIMITED	5,600	49.04	274,624
BAFL	BANK ALFALAH LIMITED	772	43.59	33,651
BAHL	BANK AL HABIB LIMITED	785	78.38	61,528
BIFO	BIAFO INDUSTRIES LIMITED	525	160.5	84,263
BOK	THE BANK OF KHYBER	330	9.86	3,254
BOP	THE BANK OF PUNJAB	46,928	9.15	429,391
BWCL	BESTWAY CEMENT LIMITED	4,328	103.07	446,087
BYCO	BYCO PETROLEUM PAKISTAN LIMITED	369,290	6.41	2,367,149
CHBL	CHENAB LIMITED - FREEZE	2,000	0	-
CHCC	CHERAT CEMENT COMPANY LIMITED	191	30.96	5,913
CPAL	CAPITAL ASSETS LEASING CORPORATION LTD	16,567	9.62	159,375
CRTM	THE CRESCENT TEXTILE MILLS LIMITED	663	21.76	14,427
CSAP	CRESCENT STEEL & ALLIED PRODUCTS LIMITED	958	37.78	36,193
DBCI	DADABHOY CEMENT INDUSTRIES DBCI LIMITED - (FREEZE	4,720	0	-
DFML	DEWAN FAROOQUE MOTORS LIMITED	16,000	6.79	108,640
DGKC	D.G. KHAN CEMENT COMPANY LIMITED	34	56.54	1,922
DSFL	DEWAN SALMAN FIBRE LIMITED -FREEZE	82,049	0	-
ECOP	ECOPACK LIMITED	1,601	13.42	21,485
EFERT	ENGRO FERTILIZERS LIMITED	62,010	63.97	3,966,780
EFOODS	ENGRO FOODS LIMITED	33,000	58.33	1,924,890

ENGRO	ENGRO CORPORATION LIMITED	115	265.6	30,544
EPCL	ENGRO POLYMER & CHEMICALS EPCL LIMITED	13,551	26.96	365,335
FABL	FAYSAL BANK LIMITED	13,304	21.52	286,302
FATIMA	FATIMA FERTILIZER COMPANY LIMITED	3,050	29.85	91,043
FCCL	FAUJI CEMENT COMPANY LIMITED	500	15.73	7,865
FECTC	PECTO CEMENT LIMITED	1,150	19.5	22,425
FEM	FIRST EQUITY MODARABA	3,822	2.16	8,256
FFBL	FAUJI FERTILIZER BIN QASIM LIMITED	1,554	18.23	28,329
FFC	FAUJI FERTILIZER COMPANY LIMITED	17,269	87.2	1,505,857
FHAM	FIRST HABIB MODARABA	2,000	9.41	18,820
FPJM	FIRST PUNJAB MODARABA	200	2.3	460
GASF	GOLDEN ARROW SELECTED STOCKS FUND LTD.	589	6.85	4,035
GENP	GENERTECH PAKISTAN LIMITED -FREEZE	105,650	0	-
GFIL	GHAZI FABRICS INTERNATIONAL LIMITED	16,500	2.6	42,900
HASCOL	HASCOL PETROLEUM LIMITED	1,403	68.62	96,274
HBL	HABIB BANK LIMITED	1,310	113.26	148,371
HGFA	HBL GROWTH FUND - CLASS A	300	10.33	3,099
HGFB	HBL GROWTH FUND - CLASS B SEGMENT	300	0	-
HIFA	HBL INVESTMENT FUND - CLASS A	1,191	4.05	4,824
HIFB	HBL INVESTMENT FUND - CLASS B SEGMENT	1,191	0	-
HINOON	HIGHNOON LABORATORIES LIMITED	1,456	253.17	368,616
HMB	HABIB METROPOLITAN BANK LIMITED	2,605	36.08	93,988
HTL	HI-TECH LUBRICANTS LIMITED	1,000	27.66	27,660
HUBC	THE HUB POWER COMPANY LIMITED	500	78.75	39,375
IBFL	IBRAHIM FIBRES LIMITED	915	60	54,900
ICI	ICI PAKISTAN LIMITED	31	532.47	16,507
ICIBL	INVEST CAPITAL INVESTMENT BANK LIMITED	5,200	0.82	4,264
IGIHL	IGI HOLDINGS LIMITED	311	152	47,272
IVIBL	INNOVATIVE INVESTMENT BANK LIMITED - FREEZE	1	0	-
JPGL	JAPAN POWER GENERATION LIMITED -FREEZE	500	0	-
JSBL	JS BANK LIMITED	35,500	5.48	194,540
KAPCO	KOT ADDU POWER COMPANY LIMITED	2,000	36.38	72,760
KEL	K-ELECTRIC LIMITED	128,700	4.39	564,993
KML	KOHINOOR MILLS LIMITED	12,185	21.85	266,242
KOHP	KOHINOOR POWER COMPANY LIMITED	525	1.7	893
KTML	KOHINOOR TEXTILE MILLS LIMITED	571	25.05	14,304
LOTCHEN	LOTTE CHEMICAL PAKISTAN LIMITED	5,850	15.25	89,213
LSEFSL	LSE FINANCIAL SERVICES LIMITED -FREEZE	336,590	0	-
LUCK	LUCKY CEMENT LIMITED	25	380.47	9,512
MCB	MCB BANK LIMITED	14,180	174.45	2,473,701
MCBPSM	MCB PAKISTAN STOCK MARKET FUND	409	0	-
MDTL	MEDIA TIMES LIMITED	49,000	0.84	41,160
MLCF	MAPLE LEAF CEMENT FACTORY LIMITED	1,222	23.89	29,194
NBP	NATIONAL BANK OF PAKISTAN	21,517	33.66	724,262
NCL	NISHAT (CHUNIAN) LIMITED	882	35.02	30,888
NICL	NIMIR INDUSTRIAL CHEMICALS LIMITED	4,500	51.14	230,130
NRSL	NIMIR RESINS LIMITED	26,808	5.3	142,082
OGDC	OIL & GAS DEVELOPMENT COMPANY LIMITED	1,572	131.49	206,702
ORIXM	ORIX MODARABA	760	15.5	11,780

PACE	PACE(PAKISTAN)LIMITED	3,087	1.48	4,569
PAEL	PAK ELEKTRON LIMITED	5,000	20.02	100,100
PAKOXY	PAKISTAN OXYGEN LIMITED	2,860	150	429,000
PAKRI	PAKISTAN REINSURANCE COMPANY LIMITED	7,800	24.96	194,688
PEFO	PICIC ENERGY FUND	1,527	0	-
PIAA	PAKISTAN INTERNATIONAL AIRLINES CORPORATION LIMITED	109,678	4.51	494,648
PIBTL	PAKISTAN INTERNATIONAL BULK TERMINAL LIMITED	108,500	8.44	915,740
PIOC	PIONEER CEMENT LIMITED	38	22.65	861
POL	PAKISTAN OILFIELDS LIMITED	52	405.89	21,106
POWER	POWER CEMENT LIMITED	13,500	6.43	86,805
PPL	PAKISTAN PETROLEUM LIMITED	5,240	144.43	756,813
PSO	PAKISTAN STATE OIL COMPANY LIMITED	93	169.63	15,776
PSX	PAKISTAN STOCK EXCHANGE LIMITED	6,000	13	78,000
PTC	PAKISTAN TELECOMMUNICATION COMPANY LTD.	309,500	8.27	2,559,565
QUICE	QUICE FOOD INDUSTRIES LIMITED	29,000	2.71	78,590
SAIF	SAIF TEXTILE MILLS LIMITED	210	9.56	2,008
SBL	SAMBA BANK LIMITED	1,053	5.49	5,781
SCBPL	STANDARD CHARTERED BANK (PAKISTAN) LTD.	19,847	22.43	445,168
SEPCO	SOUTHERN ELECTRIC POWER COMPANY LIMITED - FREEZE	233,150	0	-
SILK	SILKBANK LIMITED	4,417,056	1.18	5,212,126
SNBL	SONERI BANK LTD.	4,439	10.25	45,500
SNGP	SUI NORTHERN GAS PIPELINES LIMITED	400	69.49	27,796
SPLC	SAUDI PAK LEASING COMPANY LTD. -FREEZE	615	0	-
SSGC	SUI SOUTHERN GAS COMPANY LIMITED	12,030	20.68	248,780
TELE	TELECARD LIMITED	7,800	1.05	8,190
TREET	TREET CORPORATION LIMITED	18,037	15.26	275,245
TRG	TRG PAKISTAN LIMITED - CLASS 'A'	2,836	16.36	46,397
TRIBL	TRUST INVESTMENT BANK LIMITED -FREEZE	135	0	-
TRSM	TRUST MODARABA	8,500	1.5	12,750
UBL	UNITED BANK LIMITED	12,169	147.38	1,793,467
WTL	WORLDCALL TELECOM LIMITED	244,000	0.7	170,800

Total Value

Less: 15 % Discount

33,654,496

(5,048,174)

28,606,321

4 OTHER LIABILITIES

Trade payable overdue more than 30 days	430,705
Payable to exchanges and clearing house	3,988
FED Payable	7,081
Accured and other payables	166,114
Audit Fee Payable	125,000
Provision for taxation	329,313
	1,062,201

Md. Anwar Hossain
Chief Executive

Abd. e. To
Director

