

INDEPENDENT AUDITORS REPORT ON STATEMENT OF NET CAPITAL BALANCE
To the Chief Executive Officer of DR ARSLAN RAZAQUE SECURITIES (PVT) LTD.

Opinion

We have audited the Statement of Net Capital Balance of **Dr Arslan Razaque Securities (Pvt) Ltd** and notes to the Statement of Net Capital Balance as at December 31, 2018 (together 'the statement').

In our opinion the financial information in the statement of **Dr Arslan Razaque Securities (Pvt) Ltd** as at December 31, 2018 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 Razaque Securities (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 Razaque Securities (Pvt) Ltd**, SECP, PSX and NCCPL and should not be distributed to parties other than **Dr Arslan Razaque Securities (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.

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 ACCOUNTANTS



March 02, 2019

DR ARSLAN RAZAQUE SECURITIES (PVT) LIMITED
STATEMENT OF NET CAPITAL BALANCE
AS AT DECEMBER 31, 2018

| | NOTE | RUPEES | RUPEES |
|---|------|-------------|-------------------|
| Current Assets | | | |
| Cash in Hand | 2. | | 13,758,668 |
| Bank balances | 3. | | |
| Bank balances pertaining to brokerage house | | 1,314,532 | |
| Bank balances pertaining to clients | | 2,084,882 | 3,399,414 |
| Trade receivables | 4. | | |
| Book value | | 851,904 | |
| Less: Overdue for more than 14 days | | (851,904) | |
| Securities purchased for clients | 5. | | 429,800 |
| Investment in listed securities in the name of broker | 6. | | |
| Securities on the exposure list | | 39,496,331 | |
| Less: 15% adjustment (as required) | | 5,924,450 | 33,571,881 |
| | | | A 51,159,763 |
| Current Liabilities | | | |
| Trade Payables | 7. | | |
| Book Value | | 1,870,810 | |
| Less: Overdue for more than 30 days | | (1,840,403) | 30,407 |
| Other liabilities | 8. | | |
| Accrued expenses and other liabilities | | | 1,992,435 |
| | | | B 2,022,842 |
| Net Total | | | (A-B) 49,136,921 |
| Less: Amount allocated for Pakistan Mercantile Exchange Limited | | | (5,000,000) |
| NET CAPITAL BALANCE | | | 44,136,921 |

[Signature]
 CHIEF EXECUTIVE OFFICER

[Signature]
 DIRECTOR



DR ARSLAN RAZAQUE SECURITIES (PVT.) LIMITED
 TREC HOLDER: PAKISTAN STOCK EXCHANGE LIMITED
 TREC HOLDER # 325

March 02, 2019
 Lahore



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ARSLAN RAZAQUE SECURITIES (PVT) LIMITED
 STATEMENT OF NET CAPITAL BALANCE
 NOTES TO THE STATEMENT OF NET CAPITAL BALANCE
 FOR THE PERIOD ENDED DECEMBER 31, 2018

| | NOTE | Dec-18 RUPEES |
|---|------|--------------------|
| Notes to the statement | | |
| 1. BASIS OF ACCOUNTING & PREPARATION | | |
| 1.1 Statement of Compliance | | |
| The statement of Net Capital Balance (the statement) of Dr. Arslan Razaque Securities (Pvt.) Limited has been prepared in conformity with the requirement of the Second Schedule of Securities Brokers (Licensing & Operations) Regulations, 2016 (the Regulations) reads with Rules 2(d) of the Securities Exchange Commission (SEC) Rules 1971 (SEC Rules 1971) issued by Securities & Exchange Commission of Pakistan (SECP) and guidelines issued by SECP from time to time for the calculation of the statement. | | |
| 2. CASH IN HAND | | |
| Cash in Hand | | <u>13,758,668</u> |
| 3. BANK BALANCES | | |
| Pertaining to brokerage house | | 1,314,532 |
| Pertaining to clients | | <u>2,084,882</u> |
| | | <u>3,399,414</u> |
| 4. TRADE RECEIVABLES | | |
| Book value | | 851,904 |
| Overdue for more than 14 days | | <u>(851,904)</u> |
| | | <u>-</u> |
| 5. SECURITIES PURCHASED FOR CLIENTS | | |
| Securities purchased for client | | <u>429,800</u> |
| 6. INVESTMENT IN LISTED SECURITIES | | |
| Securities on the exposure list | | 39,496,331 |
| 15% adjustment (as required) | | <u>(5,924,450)</u> |
| | | <u>33,571,881</u> |
| 7. TRADE PAYABLES | | |
| Book value | | 1,870,810 |
| Overdue for more than 30 days | | <u>(1,840,403)</u> |
| | | <u>30,407</u> |
| 8. ACCRUED EXPENSES AND OTHER LIABILITIES | | |
| Overdue for more than 30 days | | 1,840,403 |
| Taxes payables | | 12,582 |
| Other payables | | <u>139,450</u> |
| | | <u>1,992,435</u> |

Arslan Razaque
 CHIEF EXECUTIVE OFFICER

March 02, 2019
 Lahore



Arslan Razaque
 DIRECTOR



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