

**INDEPENDENT AUDITORS REPORT ON STATEMENT OF NET CAPITAL BALANCE
OF KHADIM ALI SHAH BUKHARI SECURITIES PRIVATE LIMITED****To the Chief Executive Officer of Khadim Ali Shah Bukhari Securities Private Limited****Opinion**

We have audited the Statement of Net Capital Balance of **Khadim Ali Shah Bukhari Securities Private Limited** (the Securities Broker) and notes to the Statement of Net Capital Balance as at June 30, 2020 (together 'the statement').

In our opinion, the financial information in the statement of the Securities Broker as at June 30, 2020 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 **Khadim Ali Shah Bukhari Securities Private Limited** 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 **Khadim Ali Shah Bukhari Securities Private Limited**, SECP, PSX and NCCPL and should not be distributed to parties other than **Khadim Ali Shah Bukhari Securities Private Limited** 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 **Adnan Zaman**


Chartered Accountants
Karachi

Dated: 29 OCT 2020



KHADIM ALI SHAH BUKHARI SECURITIES (PVT) LIMITED

KHADIM ALI SHAH BUKHARI SECURITIES (PRIVATE) LIMITED NET CAPITAL BALANCE AS AT JUNE 30, 2020

(Excess of Current Assets over Current Liabilities as determined in accordance with the Schedule II of the Securities Brokers (Licensing and Operations) Regulations, 2016)

DESCRIPTION	VALUATION BASIS	VALUE (Amount in Rupees)
CURRENT ASSETS		
Cash in hand	As per book value	418
Cash at bank:		
- Pertaining to brokerage house	As per book value	55,918,803
- Pertaining to clients	As per book value	49,790,233
Total bank balances	As per book value	2 105,709,036
Deposits against exposure with NCCPL	As per book value	17,811,278
Trade Receivable		
	Book Value	3 273,737,280
	Less: overdue for more than 14 days	(1,434,984)
		272,302,296
Investment in Listed Securities in the name of broker		
	Market value	67,001,096
	Less: 15% discount	(10,050,164)
		56,950,932
Securities purchased for client	Securities purchased for the client and held by the member where the payment has not been received within 14 days.	16,542
Listed Term Finance Certificates/Corporate Bonds (Not less than BBB grade)	Market value	-
	Less: 10% discount	-
Federal Investment Bonds	Market value	-
	Less: 5% discount	-
Treasury bills	Market value	58,230,903
		<hr/> 511,021,405
CURRENT LIABILITIES		
Trade Payable	Book value	4 305,941,206
	Less: Overdue for more than 30 days	(13,779,894)
		292,161,312
Other liabilities	As classified under the generally accepted accounting principles.	5 6,708,813
Trade payables overdue by 30 days		13,779,894
		<hr/> 312,650,019
NET CAPITAL BALANCE AS AT JUNE 30, 2020		<hr/> 198,371,386


CHIEF EXECUTIVE OFFICER



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KHADIM ALI SHAH BUKHARI SECURITIES (PVT) LIMITED

NOTES TO STATEMENT OF THE NET CAPITAL BALANCE

For the Period Ended June 30, 2020

1 STATEMENT OF COMPLIANCE

The statement of net capital balance ("the Statement") of **Khadim Ali Shah Bukhari Securities (Private) Limited** ("the Company") has been prepared in accordance with Rule 2(d) and the Third Schedule of the Securities and Exchange Rules, 1971 and in accordance with the clarifications/ guidelines issued by the Securities and Exchange Commission of Pakistan (SECP). All figures have been obtained from financial statements of the Company for the period ended June 30, 2020.

2 CASH AT BANK

----- Rupees -----

Bank balance pertaining to:

Brokerage house	55,918,803
Client	49,790,233

Total bank balance 105,709,036

----- Rupees -----

3 TRADE RECEIVABLES

Trade Receivable	273,737,280
Total Trade Receivable	<u><u>273,737,280</u></u>

This includes commission receivable from institutions.

4 TRADE PAYABLES

This represents balance payable against trading of shares less trade payable balances overdue for more than 30 days which has been included in other liabilities. Net NCCPL payables against clients trades outstanding also been included under this account.

5 OTHER LIABILITIES

These represent current liabilities, other than trade payable which are due within 30 days. Other liabilities are stated at book value.

The breakup is as follows:

----- Rupees -----

Accrued expenses	671,832
Sindh sales tax	363,151
Other payables	5,673,830
Other payables include margin and DFC profit withheld of clients	<u><u>6,708,813</u></u>

6 DATE OF ISSUANCE

This statement is being issued on 29 OCT 2020


CHIEF EXECUTIVE OFFICER



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