

**Zahid Latif Khan Securities  
(Private Limited)  
Net Capital Balance Certificate  
As At 30 June 2020**





# NASIR JAVAID MAQSOOD IMRAN

## Chartered Accountants

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### INDEPENDENT AUDITORS REPORT ON STATEMENT OF NET CAPITAL BALANCE

To the Chief Executive Officer of Zahid Latif Khan Securities (Private) Limited

#### Opinion

We have audited the Statement of Net Capital Balance ('the statement') of Zahid Latif Khan Securities (Private) Limited and notes to the Statement of Net Capital Balance as at 30 June, 2020 (together 'the statement').

In our opinion, the financial information in the statement of the Securities Broker as at 30 June 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.

#### 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

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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 Mr. Imran Ul Haq.*

Dated: 20 July, 2020

Place: Islamabad

A handwritten signature in blue ink, appearing to read 'Nasir Javaid Maqsood Imran', is written over a printed name.

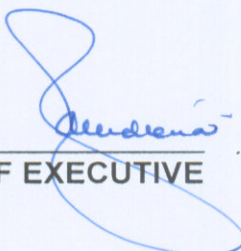
Nasir Javaid Maqsood Imran

Chartered Accountants



**Zahid Latif Khan Securities (Private) Limited**  
**Net Capital Balance Calculation**  
**As at June 30, 2020**

<b>CURRENT ASSETS</b>	<b>Note</b>	<b>30-Jun-20 Rupees</b>
<b>Cash and bank balances:</b>		
Cash in hand	1	2,955,973
Cash at bank	1	146,022,816
<b>Total cash and bank balances</b>		<b>148,978,789</b>
<b>Accounts Receivables and other assets:</b>		
Future Clearing		3,550,558
Margin deposit		12,876,748
Accounts receivables	2	27,332,223
Investment in listed securities in the name of broker	3	82,724,587
Shares/securities purchased for clients but payment has not been received within 14 days		37,090,554
<b>Total Accounts receivables and other assets</b>		<b>163,574,670</b>
<b>Total Current Assets</b>		<b>312,553,460</b>
<b>CURRENT LAIBILITIES</b>		
30 days overdue accounts payable	4	111,699,642
Other liabilities	5	157,411,754
<b>Total Current Liabilities</b>		<b>269,111,396</b>
<b>Net Capital Balance as at June 30, 2020</b>		<b>43,442,064</b>
"Read with annexed notes"		


  
 CHIEF EXECUTIVE

  
 DIRECTOR



**Zahid Latif Khan Securities (Private) Limited**  
**Notes to Net Capital Balance Calculation**  
**As at June 30, 2020**

	Note	30-Jun-20 (Rupees)
<b>1 Cash and bank balances</b>		
Cash and bank balances have been taken as per book value.		
Cash in hand		2,955,973
<b>Cash at bank:</b>		
Bank balance pertaining to Brokerage House		1,371,656
Bank balance pertaining to clients		144,651,160
<b>Total bank balance</b>		<u><u>146,022,816</u></u>
<b>2 Accounts Receivable</b>		
<i>Aging and break-up of of accounts receivables:</i>		
Total receivables		94,533,229
Less: Outstanding from more than 14 days		67,201,006
<b>Balance generated within 14 days and/or not yet due</b>		<u><u>27,332,223</u></u>
2.1 Total receiveables include client deposit with 'PMEX' of Rs. 14,715,027		
<b>3 Investment in listed securities in the name of broker</b>		
Market value		97,323,044
Discount ( 15% of market value)		(14,598,457)
<b>Net Value</b>		<u><u>82,724,587</u></u>
<b>4 Accounts Payables</b>		
Total accounts payables	6	171,321,155
<b>Less:</b> Accounts payables over due for more than 30 days		59,621,513
<b>Accounts payable overdue for 30 days</b>		<u><u>111,699,642</u></u>
4.1 Total accounts payables include payables related to 'PMEX' of Rs. 14,619,872		





**Zahid Latif Khan Securities (Private) Limited**  
**Notes to Net Capital Balance Calculation**  
**As at June 30, 2020**

	Note	30-Jun-20 (Rupees)
<b>5 Other Liabilities</b>		
Accounts Payables	4	59,621,513
Accrued and other liabilities		15,253,629
Short term running finance		82,536,612
		<b>157,411,754</b>
 <b>6 Reconciliation of client wise payable balance and their corresponding bank balance - PSX</b>		
Trade Payables - PSX	6.1	156,701,283
		<b>156,701,283</b>
 <i>Client wise break-up of total trade payables is attached in Annexures</i>		
Trade Payables includes 50% profit on futures withheld amounting to Rs. 1,189,243		
<b>6.1 Balance as per bank book - PSX</b>		144,651,160
Margin Deposit with PSX		11,000,000
		<b>155,651,160</b>

  
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**CHIEF EXECUTIVE**

  
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**DIRECTOR**