



NASIR JAVAID MAQSOOD IMRAN
Chartered Accountants

Islamabad Office:
Office # 12 & 13 3rd Floor
Fazal Arcade,
F-11 Markaz, Islamabad.
Tel: 051-2228138
Fax: 051-2228139
E-mail:
njmiconsultants@gmail.com
islamabadoffice@njmi.net

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 18 September, 2018 (together 'the statement').

In our opinion, the financial information in the statement of the Securities Broker as at 18 September, 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.

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.

Karachi Office:

904, 9th Floor, Q.M. House, Plot No. 11/2, Ellander Road, Opp. Shaheen Complex, Off. I.I Chundrigar Road, Karachi Pakistan
Tel: 021-32212382, 32212383, 32211516, Fax: 021-32211515

Lahore Office:

Office # 1102, Al-Hafeez Heights, 66-D/1, Ghalib Road, Gulberg-III, Lahore
Tel: 042-35754821-22, Fax: 042-36317513, E-mail: nasirg@wol.net.pk



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: 19 September, 2018

Place: Islamabad


Nasir Javaid Maqsood Imran
Chartered Accountants


Zahid Latif Khan Securities (Private) Limited
Statement Of Net Capital Balance
As at September 18, 2018

CURRENT ASSETS	Note	18-Sep-18 Rupees
<i>Cash and bank balances:</i>		
Cash in hand	1	1,128,175
Cash at bank	1	83,051,057
Total cash and bank balances		84,179,232
<i>Accounts Receivables and other assets:</i>		
Future Clearing		1,990,445
Margin deposit with PSX		8,100,000
Accounts receivables	2	18,002,442
Investment in listed securities in the name of broker	3	42,396,198
Shares/securities purchased for clients but payment has - - not been received within 14 days		22,795,517
Total Accounts receivables and other assets		93,284,602
Total Current Assets		177,463,834
CURRENT LAIBILITIES		
30 days overdue accounts payable	4	21,865,967
Other liabilities	5	134,288,438
Total Current Liabilities		156,154,405
Net Capital Balance as at 18 September, 2018		21,309,429

"Read with annexed notes"


Zahid Latif Khan
Chief Executive


DIRECTOR

Zahid Latif Khan Securities (Private) Limited
Notes to Net Capital Balance Certificate
As at September 18, 2018

	Note	18-Sep-18 (Rupees)
1 Cash and bank balances		
Cash and bank balances have been taken as per book value.		
Cash in hand		1,128,175
Cash at bank:		
Bank balance pertaining to Brokerage House		99,126
Bank balance pertaining to clients		82,951,931
Total bank balance		83,051,057
2 Accounts Receivable		
Aging and break-up of of accounts receivables:		
Total receivables		61,791,631
Less: Outstanding from more than 14 days		43,789,189
Balance generated within 14 days and/or not yet due		18,002,442
3 Investment in listed securities in the name of broker		
Market value		49,877,880
Discount (15% of market value)		(7,481,682)
Net Value		42,396,198
4 Accounts Payables		
Total accounts payables	6	83,350,064
Less: Accounts payables over due for more than 30 days		61,484,097
Accounts payable overdue for 30 days		21,865,967
5 Other Liabilities		
Accounts Payables	4	61,484,097
Accrued and other liabilities		7,180,679
Current portion of long term loan		12,500,000
Short term running finance		53,123,661
		134,288,438

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Zahid Latif Khan Securities (Private) Limited
Notes to Net Capital Balance Certificate
As at September 18, 2018

6 Reconciliation of client wise payable balance and their corresponding bank balance

	Note	18-Sep-18 (Rupees)
Trade Payables	6.1	83,350,064
		83,350,064

Client wise break-up of total trade payables is attached in Annexures

Trade Payables includes profit on futures withheld amounting to Rs. 497,925

6.1 Balance as per bank book	82,951,931
Add: Margin deposit with PSX on behalf of clients	8,100,000
	91,051,931


Zahid Latif Khan
Chief Executive


DIRECTOR