

AL-HAQ SECURITIES (PVT.) LIMITED
AUDITED STATEMENT OF NET CAPITAL BALANCE
AS AT JUNE 30, 2019

**INDEPENDENT AUDITORS REPORT ON STATEMENT OF NET CAPITAL BALANCE
TO THE CHIEF EXECUTIVE OFFICER OF AL-HAQ SECURITIES (PVT.) LIMITED**

Opinion

We have audited the Statement of Net Capital Balance of **AL-HAQ SECURITIES (PVT.) LIMITED (the Securities Broker)** and notes to the Statement of Net Capital Balance as at June 30, 2019 (together 'the statement').

In our opinion, 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 - Basis of Accounting and Restriction on Distribution

We draw attention to Note no. 1 of the notes to the statement, which describes the basis of accounting. The statement is prepared to assist the **AL-HAQ SECURITIES (PVT.) LIMITED** (the Securities Broker) to meet the requirements of SECP, Pakistan Stock Exchange (PSX) and National Clearing Company of Pakistan Limited (NCCPL). As a result, the statement may not be suitable for an other purpose. Our report is intended solely for **AL-HAQ SECURITIES (PVT.) LIMITED** (the Securities Broker), SECP, PSX, and NCCPL and should not be distributed to parties other than **AL-HAQ SECURITIES (PVT.) LIMITED** (the Securities Broker) or 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 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 decision of users taken on the basis of this statement.



SHINEWING HAMEED CHAUDHRI & CO.
CHARTERED ACCOUNTANTS

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, misrepresentation, or the override of internal control.
- Obtain an understanding of the 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 the 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.

ShineWing Hameed Chaudhri & Co.

SHINEWING HAMEED CHAUDHRI & CO.,
CHARTERED ACCOUNTANTS

Engagement Partner: Osman Hameed Chaudhri

LAHORE; 13 SEP 2019



AL-HAQ SECURITIES (PVT.) LTD.

CORPORATE TREC HOLDER PAKISTAN STOCK EXCHANGE LTD. 228

AL-HAQ SECURITIES (PRIVATE) LIMITED
STATEMENT OF NCB UNDER RULE 2(d) OF SECURITIES AND EXCHANGE RULES, 1971
AS AT JUNE 30, 2019

| DESCRIPTION | VALUATION BASIS | VALUE (RS) |
|--|---|------------|
| CURRENT ASSETS | | |
| 1 Cash and cash equivalents | Book value | 35,442,163 |
| 2 Trade Receivables | Book value: 16,437,215 Less: Overdue for more than 14 days (8,294,834) | 8,142,381 |
| 3 Investment in listed securities in the name of house: Investment in Shares Less: 15% of investment in Shares | 4,107,547 (616,132) | 3,491,415 |
| 4 Securities purchased for clients | | 6,762,749 |
| | | 53,838,708 |
| CURRENT LIABILITIES | | |
| 1 Trade Payables | Book Value 18,022,439 Less: Overdue for more than 30 days (8,159,985) | 9,862,454 |
| 2 Other Liabilities | | 19,739,062 |
| | | 29,601,516 |
| NET CAPITAL BALANCE AS AT JUNE 30, 2019 | | 24,237,192 |


Chief Executive / Director



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Al-Haq Securities (Private) Limited
Notes to the Statement of Net Capital Balance
As At June 30, 2019

1. STATEMENT OF COMPLIANCE

This statement of Net Capital Balance has been prepared in all material respect, in accordance with the requirements of the Second Schedule of Securities Brokers (Licensing and Operations) Regulations, 2016 read with Rule 2(d) of the Securities and Exchange Commission Rules, 1971.

2. CASH AND BANK BALANCES

| | Rupees |
|--|-------------------|
| Cash in Hand | 210,309 |
| Cash at Bank pertaining to Clients | 21,775,686 |
| Cash at Bank pertaining to House Account | 2,056,168 |
| Deposits against exposure | 11,400,000 |
| | 35,442,163 |

3. SHORT TERM INVESTMENTS

| No. of shares | Name of the Company | Market value |
|------------------|---|------------------|
| June 30, 2019 | | June 30, 2019 |
| | | Rupees |
| 599 | Adamjee Insurance Company Ltd. | 20,995 |
| 8,166 | Askari Bank Ltd. | 154,419 |
| 440 | Aisha Steel Mills Ltd. | 4,048 |
| 2,202 | Aisha Steel Mills Ltd. Preference | 33,030 |
| 318 | Attock Refinery Ltd. | 24,572 |
| 500 | Al-Azhar Textile Mills Ltd. - Freeze | - |
| 2,209 | Bank Alfalah Ltd. | 96,290 |
| 592 | Bank Al Habib Ltd. | 46,401 |
| 87,816 | The Bank Of Punjab | 803,516 |
| 5,100 | Byco Petroleum Pakistan Ltd. | 32,691 |
| 2,350 | Capital Assets Leasing Corporation Ltd. | 22,607 |
| 234 | First Capital Mutual Fund | 2,340 |
| 612 | Crescent Steel & Allied Products Ltd. | 23,121 |
| 67,000 | Dewan Cement Ltd. | 523,270 |
| - | Dewan Farooq Motor | - |
| 342 | D.G. Khan Cement Company Ltd. | 19,337 |
| 4,013 | Dewan Salman Fibre Ltd. | - |
| 287 | Efu Life Assurance Ltd. | 66,010 |
| 1,100 | First Tri-Star Modaraba | 9,350 |
| 1,330 | Genertech Pakistan Ltd. - Freeze | - |
| 1,048 | Highnoon Laboratories Pakistan Ltd. | 265,322 |
| 2,360 | HBL Investment Fund Class A | 9,558 |
| 2,360 | HBL Investment Fund Class B | 23,600 |
| 342 | IGI Holding Ltd.(prev IGI Insurance Ltd.) | 51,984 |
| 13 | Innovative Investment Bank Ltd. - Freeze | - |
| 191,333 | C/F | 2,232,461 |

Al-Haq



| No. of shares | Name of the Company | Market value |
|------------------|---|------------------|
| June 30, 2019 | | June 30, 2019 |
| 191,333 | B/F | 2,232,461 |
| 1,500 | Jahangir Siddiqui & Company Ltd | 16,230 |
| 211 | JS Large Cap. Fund | 22,256 |
| 466 | K-Electric Ltd. | 2,046 |
| 109 | KSB Pumps Company Ltd. | 11,009 |
| 584 | Lotte Chemical Pakistan Ltd. | 8,906 |
| 2,936 | Maple Leaf Cement Factory Ltd. | 70,141 |
| - | Mughal Iron and Steel Industries Ltd. | - |
| 206 | National Foods Ltd. | 37,937 |
| 500 | National Bank of Pakistan Ltd. | 16,830 |
| 20,000 | Noorie Textile Mill Ltd - revoked | - |
| 2,511 | Pak Elektron Ltd. | 50,270 |
| 560 | Pak Datacom Ltd. | 24,464 |
| 243 | Pakistan Engineering Company Ltd. | 27,265 |
| - | PICIC Investment Fund | - |
| 247 | Pioneer Cement Ltd. | 5,595 |
| 243 | Pakistan Petroleum Ltd. | 35,097 |
| 110 | MCB Pakistan Stock Market Fund | 1,100 |
| 303 | Samba Bank Ltd. | 1,663 |
| 2,592 | Standard Chartered Bank Pak Ltd. | 58,139 |
| 464 | The Searle Company Ltd. | 68,004 |
| 5,500 | Southern Electric Power Company Ltd. - Freeze | - |
| 2,500 | Shifa International Hospital Ltd. | 549,500 |
| 1,000 | Shahpur Textile Mills Ltd. - Freeze | 180 |
| 510,198 | Silk Bank Limited | 602,034 |
| 2,246 | Soneri Bank Ltd. | 23,022 |
| 643 | Sui Northern Gas Pipelines Ltd. | 44,682 |
| 100,000 | Saudi Pak Leasing Co. Ltd. | - |
| 500 | Sargodha Spinning Mills Ltd. | 20,165 |
| 2,836 | Tri-Star Polyester Ltd. | 24,251 |
| 5,500 | Tri-Star Power Ltd. | 14,300 |
| 200,000 | World Call Telecom Ltd. | 140,000 |
| 1,900 | Zeal Pak Cement Factory Ltd. - Freeze | - |
| <u>1,057,731</u> | | <u>4,107,547</u> |

4. OTHER LIABILITIES

| | Rupees |
|-------------------------------------|-------------------|
| Trade payable for more than 30 days | 8,159,985 |
| Accrued expenses | 327,605 |
| Accrued mark-up | 667,330 |
| Short term finances | 8,200,000 |
| Taxation | 2,384,142 |
| | <u>19,739,062</u> |


Chief Executive / Director

