

LA/0926/19  
13 September 2019

The Board of Directors  
Punjab Capital Securities (Private) Limited  
3<sup>rd</sup> Floor, Office No: 319  
LSE Plaza  
Lahore

Dear Sirs

**STATEMENT OF NET CAPITAL BALANCE FOR THE YEAR ENDED 30 JUNE 2019**

We are pleased to enclose one copy of the above duly signed by us.

Yours faithfully



## **INDEPENDENT AUDITORS REPORT ON STATEMENT OF NET CAPITAL BALANCE OF PUNJAB CAPITAL SECURITIES (PRIVATE) LIMITED**

**To the Chief Executive Officer of Punjab Capital Securities (Private) Limited (the Securities Broker)**

### **Opinion**

We have audited the Statement of Net Capital Balance of **Punjab Capital Securities (Private) Limited** (the Securities Broker) and notes to the Statement of Net Capital Balance as at 30 June 2019 (together 'the statement').

In our opinion, the financial information in the statement of the Securities Broker as at 30 June 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 1 to the statement, which describes the basis of accounting. The statement is prepared to assist Punjab Capital Securities (Private) Limited (the Securities Broker) 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 Punjab Capital Securities (Private) Limited (the Securities Broker), SECP, PSX and NCCPL and should not be distributed to parties other than the Securities Broker 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.

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## 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 Farooq Hameed.



**EY Ford Rhodes**  
Chartered Accountants  
Lahore: 13 September 2019



# PUNJAB CAPITAL SECURITIES (PVT.) LTD.

*(The Guardian of your Investments)*

A Group Company  
of the Bank of Punjab

## PUNJAB CAPITAL SECURITIES (PRIVATE) LIMITED STATEMENT OF NET CAPITAL BALANCE AS AT JUNE 30, 2019

(Excess of Current assets Over Current Liabilities determined in accordance with third schedule of Securities and Exchange Rules, 1971)

	Valuation basis	Note	Rupees
<b>CURRENT ASSETS</b>			
Cash in hand			1,585
Cash at bank	As per book value		
- Pertaining to house account		23,757,249	
- Pertaining to client account		10,936,437	34,693,686
Deposit against exposure			9,900,000
Trade receivable	Book value	2	6,535,096
	Less : overdue for more than 14 days		77,047
			6,458,048
Other receivable	Book value		-
Investment in listed securities in the name of broker	Securities / contract on the exposure List marked on the market Less : 15% discount		-
Securities purchased for the customers	Securities purchased for clients and held by the member where the payment has not been received within 14 days		54,253
			54,253
Listed TFCs/Corporate Bonds of not less than BBB grade assigned by a credit rating company in Pakistan			-
FIBs			-
Treasury Bill			-
Other current assets specified by the Commission			-
<b>TOTAL (A)</b>			<b>51,107,572</b>
<b>CUURENT LIABILITIES</b>			
Trade payables	Book value	3	11,518,564
	Less: more than 30 days payable		4,510,687
			7,007,877
Other liabilities	As classified under the generally accpeted accounting principles	4	6,006,128
<b>TOTAL (B)</b>			<b>13,014,005</b>
<b>NET CAPITAL BALANCE (A - B)</b>			<b>38,093,568</b>

The annexed notes from 1 to 4 form an integral part of this statement.

  
CHIEF EXECUTIVE



  
DIRECTOR

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# PUNJAB CAPITAL SECURITIES (PVT.) LTD.

(The Guardian of your Investments)

A Group Company  
of the Bank of Punjab

## PUNJAB CAPITAL SECURITIES (PRIVATE) LIMITED NOTES TO THE STATEMENT OF NET CAPITAL BALANCE AS AT JUNE 30, 2019

### 1. BASIS OF ACCOUNTING

This Statement of Net Capital Balance has been prepared 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).

### 2. TRADE RECEIVABLES

	Rupees
Receivable from NCCPL	2,584,678
Receivable under Margin Financing	393,632
Sundry debtors	3,556,785
	<u>6,535,096</u>
Less overdue for more than 14 days	<u>(77,047)</u>
	<u><u>6,458,048</u></u>

### 3. TRADE PAYABLES

Sundry Creditors	11,518,564
Less more than 30 days payable	<u>(4,510,687)</u>
	<u><u>7,007,877</u></u>

### 4. OTHER LIABILITIES

Sundry creditors payable more than 30 days	4,510,687
Provision for income tax	165,596
Provident fund payable	713,622
Commission Payable	45,512
Other Payables	570,711
	<u><u>6,006,128</u></u>

  
CHIEF EXECUTIVE



  
DIRECTOR

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