

**PASHA SECURITIES (PVT) LIMITED**

**AUDITED NET CAPITAL BALANCE STATEMENT**

**FOR THE PERIOD ENDED DECEMBER 31, 2019**



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

**To the Chief Executive Officer of Pasha Securities (Pvt) Limited (the Securities Broker)**

### **Opinion**

We have audited the Statement of Net Capital Balance of Pasha Securities (Pvt) Limited (the Securities Broker) and notes to the Statement of Net Capital Balance as at December 31, 2019 (together 'the Statement').

In our opinion, the financial information in the Statement of the Securities Broker as at December 31, 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 and 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 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 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.

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### **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 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 Muhammad Shahid Farooq.

*UHY Hassan Naeem & Co*  
**UHY Hassan Naeem & Co**  
**Chartered Accountants**

**Islamabad**

**Date** *10 March 2020*

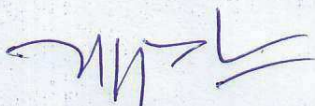


**PASHA SECURITIES (PRIVATE) LIMITED  
STATEMENT OF NET CAPITAL BALANCE  
AS AT DECEMBER 31, 2019**

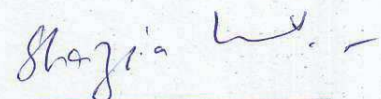
**In accordance with Regulation 6 (3) (4) of the Securities Brokers (Licensing and Operations) Regulations, 2016**

Description	Note	31-Dec-19 Rupees
<b><u>Current Assets</u></b>		
Cash and Bank Balances	2	18,482,992
Cash Margin with National Clearing Company of Pakistan Limited	3	2,400,000
Trade receivables	4	48,793
Investment in Listed Securities	5	1,263,898
Securities purchased for clients		2,124,094
<b>Total Current Assets</b>		<b>24,319,777</b>
<b><u>Current Liabilities</u></b>		
Trade payables	6	10,516,215
Other liabilities	7	5,958,587
<b>Total Current Liabilities</b>		<b>16,474,802</b>
<b>Net Capital Balance as at December 31, 2019</b>		<b>7,844,975</b>

The annexed notes 1 to 8 form an integral part of this Statement.

  
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Chief Executive



  
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Director



**PASHA SECURITIES (PRIVATE) LIMITED**  
**EXPLANATORY NOTES TO THE STATEMENT OF NET CAPITAL BALANCE**  
**AS AT DECEMBER 31, 2019**

**1 STATEMENT OF COMPLIANCE**

- 1.1 This Net Capital Balance Statement is prepared in accordance with the requirements of the Regulation 6 and the Second Schedule of the Securities Brokers (Licensing and Operations) Regulations, 2016 read with Rule 2(d) of the Securities and Exchange Commission Rules, 1971 and SECP guidelines.
- 1.2 The accounting principles and methods of computation used in the preparation of this Statement of Net Capital Balance are the prevailing accounting policies of Pasha Securities (Pvt) Limited.
- 1.3 The valuation of current assets and current liabilities for the purposes of net capital balance has been determined on the basis of the following:

Description	Valuation Basis
Cash in hand or in bank	As per Book value
Cash margin with National clearing company of Pakistan limited	As per Book value
Trade Receivables	Book value less overdue for more than 14 days
Investment in the listed securities	Securities on the exposure list marked to market less 15% discount
Market Treasury Bills	At market value
Any other asset as may be specified by the commission	As per the valuation basis determined by the Commission
Trade Payables	Book value less overdue for more than 30 days
Other liabilities	As classified under generally accepted accounting principles

**2 CASH IN HAND AND BANK BALANCES**

Note	31-Dec-19 Rupees
Cash in hand	6,793
<b>Cash at Banks</b>	
House Accounts	2.1 1,620,970
Client Accounts	2.2 16,855,229
	<u>18,482,992</u>
<b>2.1 HOUSE ACCOUNTS</b>	
JS Bank -A/c - 9571000000862180	25,000
Bank Alfalah - A/c - 4071004375114	1,595,970
	<u>1,620,970</u>
<b>2.2 CLIENT ACCOUNTS</b>	
JS Bank -A/c - 9571000000862580	720,925
Bank Alfalah - A/c - 4071005002881	16,134,304
	<u>16,855,229</u>

**3 CASH DEPOSITED AS MARGIN WITH NCCPL**

This represents cash deposited with National Clearing Company of Pakistan Limited against exposure margin deposits. Deposits held with PSX and NCCPL as basic deposits have not been included as per the clarification issued by the Securities and Exchange Commission of Pakistan (SECP).



**PASHA SECURITIES (PRIVATE) LIMITED**  
**EXPLANATORY NOTES TO THE STATEMENT OF NET CAPITAL BALANCE**  
**AS AT DECEMBER 31, 2019**

**4 TRADE RECEIVABLES**

**31-Dec-19**  
**Rupees**

These are stated at cost less bad and doubtful debts (if any) and debts outstanding for more than 14 days.

Book Value

Less: overdue for more than 14 days

2,677,920
(2,629,127)
<b>48,793</b>

**5 INVESTMENT IN THE NAME OF THE COMPANY**

Investment in listed securities

Less: 15% Discount

1,486,939
(223,041)
<b>1,263,898</b>

As per the guidelines issued by the SECP, only available for sale and pledged shares has been taken in calculation of Net Capital Balance.

**6 TRADE PAYABLES**

This Represent balance payable against trading of shares less trade payables overdue for more than 30 days which has been included in other liabilities (refer to note: 7).

Related party

Other Customers

-
15,533,121
<b>15,533,121</b>
(5,016,906)
<b>10,516,215</b>

Over due more than 30 days

**7 OTHER LIABILITIES**

This Represent current liabilities and trade payable which are overdue for more than 30 days. Other liabilities are stated as book value

Trade payables overdue for more than 30 days

Provision for taxation

Accured charges and other payables

Audit fee payable

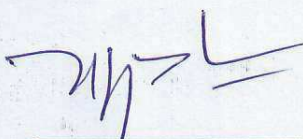
5,016,906
166,443
725,238
50,000
<b>5,958,587</b>

**8 GENERAL**

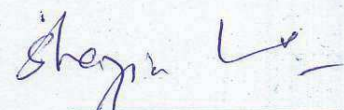
**8.1** This statement is prepared to meet the requirements of the Securities and Exchange Commission of Pakistan, Pakistan Stock Exchange Limited, and National Clearing Company of Pakistan Limited. Therefore this statement may not be suitable for any other purpose and should not be distributed to parties other than Pasha Securities (Pvt) Limited (the Broker), SECP, PSX and NCCPL.

**8.2 DATE OF ISSUANCE**

This statement is being authorized for issue on 10 March, 2020

  
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 Chief Executive



  
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 Director