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INDEPENDENT AUDITOR'S REPORT ON STATEMENT OF NET CAPITAL BALANCE

To the Chief Executive Officer of **Oriental Securities (Private) Limited**

Opinion

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

In our opinion the financial information in the statement of the Securities Broker as at June 30, 2020 is prepared, in all material respects, in accordance with the requirements of the rule 6(3) of the Securities Brokers (Licensing and Operations) Regulations, 2016 (the Regulations) read with Rule 2(d) of the Securities Exchange Commission Rules (SEC) 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 the **Oriental Securities (Private) Limited** 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 **Oriental Securities (Private) Limited**, SECP, PSX and NCCPL and should not be distributed to parties other than **Oriental Securities (Private) Limited**, 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 SECP 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 of 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 finding, 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 **Imran Iqbal**

Karachi
Dated: September 10, 2020

UHY Hassan Naeem & Co.
Chartered Accountant

ORIENTAL SECURITIES (PRIVATE) LIMITED

Net Capital Balance As At 30th June 2020

DESCRIPTION	VALUATION BASIS		Rupees VALUE
CURRENT ASSETS			
Cash in hand	As per book value		119
Cash at bank	Bank balances pertaining to brokerage house	27,004,102	
	Bank balances pertaining to client	21,471,690	48,475,792
	Total bank balances		
Deposits against exposure and losses	As per book value	26,973,988	26,973,988
Trade Receivable	Book Value	1,170,223	
	Less: overdue for more than 14 days	(869,767)	
	Book Value less Overdue for more than 14 days		300,456
Receivable under Margin financing	Book Value	2,107,635	2,107,635
	Less: overdue for more than 14 days	-	
	Book Value less Overdue for more than 14 days		
	Market value	3,405,525	
Investment in Listed Securities in the name of broker	Less: 15% discount	(510,829)	2,894,696
any other asset specified by the commission	Securities in excess of BMC requirement		7,477,639
Securities purchased for client	Securities purchased for the client and held by the member where the payment has not been received within 14 days.		830,325
Listed Term Finance Certificates/Corporate Bonds (Not less than BBB grade)	Market value	-	
	Less: 10% discount		
Federal Investment Bonds	Market value		
	Less: 15% discount	-	
Treasury bills	Market value		
			13,610,751
			89,060,649
CURRENT LIABILITIES			
Trade Payable	Book value	21,458,495	
	Less: Overdue for more than 30 days	(11,876,815)	9,581,680
Other liabilities	Overdue for more than 30 days	11,876,815	
	As classified under the generally accepted accounting principles.	427,215	12,304,030
Net Capital Balance As At 30th June 2020			**67,174,939**

CHIEF EXECUTIVE

DIRECTOR

Notes To The Net Capital Balance Certificate
ORIENTAL SECURITIES (PRIVATE) LIMITED
As On June 30, 2020

1 STATEMENT OF COMPLIANCE

The statement of Net Capital Balance of the Company ("the Statement") of **Oriental Securities (Private) Limited** ("the Company") has been prepared in accordance with the Rule 2(d) of Third Schedule of Securities and Exchange Rules, 1971 & Regulation 6(3) of Second Schedule to the Securities Broker Licensing Regulation 2016 and in accordance with the clarifications /guidelines issued by Securities and Exchange Commission of Pakistan (SECP). All figures have been obtained from the Un-audited Financial Statements of the Company for the period ended **June 30, 2020**.

2 BANK BALANCES AND CASH DEPOSITS

Cash in Hand	119
Bank Balnaces pertaining to house	27,004,102
Bank Balnaces pertaining to client	21,471,690
	48,475,911
Deposit at clearing house	26,973,988
	75,449,899

3 TRADE RECEIVABLES

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

Book Value	**1,170,223**
Over Due for more than 14 Days	(869,767)
	300,456

4 SECURITIES PURCHASED FOR CLIENTS **830,325**

These amount represent to the lower of value of securities appearing in the clients respective sub account to the extent of over due balance for more than 14 days or value of investments.

5 INVESTMENT IN LISTED SECURITIES IN THE NAME OF BROKER

These includes Investments in following listed equity Securities valued at market rates prevailing as on June 30, 2020 less discount as prescribed in Rule 2 (d) of the Third Schedule to the Securities and Exchange Rules, 1971 & Regulation 6(3) of Second Schedule to the Securities Broker Licensing Regulation 2016 and in accordance with the clarifications /guidelines issued by Securities and Exchange Commission of Pakistan (SECP).

	3,405,525
Less 15% Marked to Market	(510,829)
	2,894,696

6 Investment in listed securities pledge in BMC:

BMC requirement	**19,000,000**
Less: TREC Value	**(2,500,000)**
Less: Director shares value (740,500*7.75)	**(5,738,875)**
Less: value of shares pledge for maintenance of BMC requirement	**(18,238,764)**
	(26,477,639)
Excess amount readily available in cash in the name of broker after VAR Adjustment	**7,477,639**

7 RECEIVABLE UNDER MARGIN FINANCING

Book Value	**2,107,635**
Over Due for more than 14 Days	
	2,107,635

8 TRADE PAYABLES

This represent balance payable against trading of shares less trade payable balances overdue for more that 30 days which has been included in other liabilities.

Book Value	**21,458,495**
Less Over Due more than 30 days	(11,876,815)
	9,581,680

9 OTHER LIABILITIES 427,215