

## 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 30th, 2018 (together 'the statement').

In our opinion the financial information in the statement of the Securities Broker as at June 30, 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 (SECP) Rules 1971 (SECP 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 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 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 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 01, 2018

*UHY Hassan Naeem & Co.*

Chartered Accountant

**Oriental Securities (Pvt.) Limited**  
**Net Capital Balance As At 30th June , 2018**

DESCRIPTION	VALUATION BASIS	Rupees VALUE
<b><u>CURRENT ASSETS</u></b>		
Cash in hand	As per book value	574,412
Cash at bank	Bank balances pertaining to brokerage house Bank balances pertaining to client Total bank balances	21,574,743 31,750,368 53,325,111
Deposits against exposure and losses with Pakistan Stock Exchange	As per book value	35,496,920 35,496,920
Trade Receivable	Book Value Less: overdue for more than 14 days Book Value less Overdue for more than 14 days	1,144,727 (919,427) 225,300
other receivables		11,491,056
Investment in Listed Securities in the name of broker	Market value Less: 15% discount	24,211,749 (3,631,762) 20,579,986
Securities purchased for client	Securities purchased for the client and held by the member where the payment has not been received within 14 days.	840,504
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	-
		33,136,847
		122,533,290
<b><u>CURRENT LIABILITIES</u></b>		
Trade Payable	Book value Less: Overdue for more than 30 days	33,576,326 (14,440,458) 19,135,867
Other liabilities	Overdue for more than 30 days  As classified under the generally accepted accounting principles.	14,440,458  549,231 14,989,689
<b>Net Capital Balance As At 30th June 2018</b>		<b>88,407,733</b>

CHIEF EXECUTIVE



DIRECTOR



**Notes To The Net Capital Balance Certificate**  
**Oriental Securities (Pvt.) Limited**  
**As On June 30, 2018**

**1 STATEMENT OF COMPLIANCE**

The statement of net capital balance of the Company (the Statement) of Oriental Securities (Pvt.) Limited ("the Company") has been prepared in accordance with the Rule 6(3) of, and 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 unaudited financial statements of the Company for the period ended **June 30, 2018**.

**2 BANK BALANCES AND CASH DEPOSITS**

Cash in Hand	574,412
Bank Balances pertaining to house	21,574,743
Bank Balances pertaining to client	31,750,368
	<b>53,899,523</b>
Deposit at PSX	35,496,920
	<b>89,396,443</b>

**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	1,144,727
Over Due for more than 14 Days	(919,427)
	<b>225,300</b>

Receivable under margin financing	7,922,064
Other receivables	3,568,992
	<b>11,491,056</b>
	<b>11,716,356</b>

**4 SECURITIES PURCHASED FOR CLIENTS**

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, 2018 less discount as prescribed in accordance with the Rule 6(3) of, and 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).

	24,211,749
Less 15% Marked to Market	(3,631,762)
	<b>20,579,986</b>

**6 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	33,576,326
Less Over Due more than 30 days	(14,440,458)
	<b>19,135,867</b>

**7 OTHER LIABILITIES**

These represents current liabilities, other than trade payable which are due within 30 days Other liabilities are stated at book value.

Over Due More than 30 Days	14,440,458
Accrued and other liabilities	549,231
Other Payable	
	<b>14,989,689</b>

**DATE OF ISSUANCE**

This statement is being issued on August 31, 2018.

*Bahar ul Naeem*  
**CHIEF EXECUTIVE**



*Abdul Hameed Khan*  
**DIRECTOR**