

S.D.MIRZA 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 S.D.MIRZA SECURITIES (PVT) LIMITED**

Opinion

We have audited the Statement of Net Capital Balance of **S.D.MIRZA 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 **S.D.MIRZA 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 **S.D.MIRZA SECURITIES (PVT) LIMITED** (the Securities Broker), SECP, PSX, and NCCPL and should not be distributed to parties other than **S.D.MIRZA 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.

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; 05 SEP 2019

S.D. Mirza Securities (Pvt). Ltd.
TRE CERTIFICATE HOLDER, PAKISTAN STOCK EXCHANGE LTD.

S.D. MIRZA 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)
<u>CURRENT ASSETS</u>		
1 Cash and cash equivalents	Book value	23,687,848
2 Due from clients	Book value Less: overdue for more than 14 days	22,278,833 (20,814,042) 1,464,791
3 Investment in listed securities in the name of House: Investment in shares Less: 15% of investment in shares		4,789,102 (718,365) 4,070,737
4 Securities purchased for clients		19,680,934
		48,904,310
<u>CURRENT LIABILITIES</u>		
1 Due to clients	Book value Less: overdue for more than 30 days	18,830,023 (12,367,759) 6,462,264
2 Other liabilities		12,891,183
		19,353,447
Net Capital Balance as at June 30, 2019		29,550,863

Jahan.
 Chief Executive / Director



SH
 Chartered Accountants



S.D. Mirza Securities (Pvt.) 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	490,777
Cash at banks pertaining to Clients	20,517,495
Cash at banks pertaining to House Account	2,679,576
	<u>23,687,848</u>

3. SHORT TERM INVESTMENTS - Quoted
(available for sale)

No. of shares	Name of the Company	Market value
		Rupees
10,000	Gandhara Nissan Ltd	524,300
25,000	Pak Electron Ltd	500,500
5,000	Al Tahur Ltd	98,550
2,000	Tariq Glass Industries Ltd	153,260
178	MCB Bank Ltd	31,052
7,000	Ferozsons Laboratories Ltd	782,740
30,000	Fauji Fertilizers Co. Ltd	2,616,000
10,000	Pakistan Telecommunication Ltd	82,700
<u>89,178</u>		<u>4,789,102</u>

4. OTHER LIABILITIES

	Rupees
Due to clients for more than 30 days	12,367,759
Accrued and other liabilities	390,029
Provision for taxation	133,395
	<u>12,891,183</u>

Jahan N.
 Chief Executive / Director

