

**REVIEW REPORT ON STATEMENT OF NET CAPITAL BALANCE  
TO THE CHIEF EXECUTIVE OFFICER OF M/S ARIF LATIF SECURITIES (Pvt.)  
LIMITED**

**Introduction**

We have reviewed the accompanying Statement of Net Capital Balance of Arif Latif Securities (Pvt.) Limited (the Securities Broker) as at December 31, 2020 and notes to the Statement of Net Capital Balance (here-in-after referred to as 'the statement'). Management is responsible for the preparation of the statement in accordance with the requirements of the Second Schedule of the Securities Brokers (Licensing and Operations) Regulations, 2016 (the Regulations) issued by the Securities & Exchange Commission of Pakistan (SECP). Our responsibility is to express a conclusion on the statement based on our review.

**Scope of Review**

We conducted our review in accordance with International Standard on Review Engagements 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' which applies to review of historical financial information performed by the independent auditor of the Securities Broker. A review of historical financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

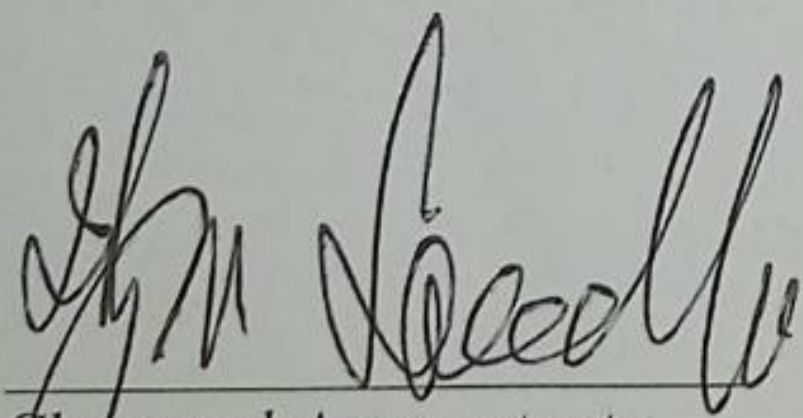
**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying statement is not prepared, in all material respects, in accordance with the requirements of Second Schedule of the Regulations.

**Other Matter - Restriction on Distribution and Use**

Our report is intended solely for Arif Latif Securities (Pvt.) Limited (the Securities Broker), SECP, Pakistan Stock Exchange and National Clearing Company of Pakistan Limited and should not be distributed to any other parties. Our conclusion is not modified in respect of this matter.

The engagement partner on the review resulting in this review report is **Mr. Muhammad Ilyas (FCA)**.



Chartered Accountants

LAHORE

Date: 10 MAR 2021

**ARIF LATIF SECURITIES (PVT) LIMITED**  
**Calculation of Net Capital**  
**As at December 31, 2020**

DESCRIPTION	VALUATION BASIS	RUPEES
<b>CURRENT ASSETS</b>		
Cash in hand or in bank	As per book value	
Cash in hand		70,212
Cash at bank		
- Broker's account		14,032,715
- Client's account		40,376,389
Total Bank Balances		54,409,104
Total cash and bank balances		54,479,316
Trade receivables	Book value	51,359,344
	Less: Overdue for more than 14 days	(139,759)
	Book Value less provision against receivables	51,219,585
Investment in Listed Securities in the name of broker	Market Value	11,251,800
	Less: securities in exposure list marked to market less 15% discount	(1,687,770)
		9,564,030
Securities purchased for client	Securities purchased for client & held by broker where payment is not received in 14 days	-
Listed TFCs/Corporate Bonds of not less than BBB grade assigned by a credit rating company in Pakistan	Marked to market less 5% discount	-
FIBs	Marked to market less 5% discount	-
Treasury Bill	At market value	-
<b>TOTAL CURRENT ASSETS</b>		<b>115,262,931</b>
<b>CURRENT LIABILITIES</b>		
Trade payables	As per book values	77,800,782
	Less: Overdue for more than 30 days	(21,853,099)
		55,947,683
<b>Other Liabilities</b>	As per book values	
Other liabilities	Trade creditors (More than 30 days)	21,853,099
Accrued expenses		744,318
<b>TOTAL LIABILITIES</b>		<b>78,545,100</b>
<b>NET CAPITAL BALANCE AS AT December 31, 2020</b>		<b>36,717,832</b>

Note: The Third Schedule to the Securities and Exchange Rules, 1971 "Requirements for Calculation of Net Capital For Purpose of Rule 2(d)", provides that "current assets and current liabilities in relation to member of a Stock Exchange for the purpose of net capital shall be determined by accounting for the current assets and current liabilities". Accordingly, for the purpose of determining the "Net Capital" all the current assets and current liabilities of the Company, including advances, deposits, prepayments and other receivables have been taken into consideration.

*[Handwritten Signature]*

CHIEF EXECUTIVE OFFICER



*[Handwritten Signature]*  
 DIRECTOR

**ARIF LATIF SECURITIES (PVT.) LIMITED**  
**Notes to the Net Capital Balance**  
**As At December 31, 2020**

**1 STATUS AND NATURE OF BUSINESS**

Arif Latif Securities (Private) Limited was incorporated as private limited company on February 10, 2014 under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017) via incorporation no. 0071461. The Company is a Trading Rights Entitlement Certificate (TREC) holder of the Pakistan Stock Exchange Limited. The Company is engaged in the business of share brokerage and investment in securities. The registered and principal office of the company is situated at 4th Floor, Room No. 414 and 415, 19- Khayaban-e-Aiwan-e-Iqbal, Lahore.

**2 STATEMENT OF COMPLIANCE / BASIS OF PREPARATION**

This statement has been prepared to meet the specific requirements contained in Regulation 6.3 of the Securities Brokers (Licensing & Operations) Regulations, 2016. The statement has been prepared in accordance with the guidelines given in the Third Schedule of the Securities Brokers (Licensing & Operations) Regulations, 2016 read with Rule 2(d) of the Securities Exchange Commission Rules, 1971 and thus comply with the requirements contained therein.

	Note	<u>2020</u> <u>RUPEES</u>
<b>3 CASH IN HAND OR IN BANK</b>		
Cash in hand		70,212
Cash at bank		14,032,715
- Broker's account		40,376,389
- Client's account		
		<u>54,479,316</u>
<b>4 TRADE RECEIVABLES</b>		
Book value		51,359,344
Less: Overdue for more than 14 days		(139,759)
		<u>51,219,585</u>
<b>5 INVESTMENTS IN LISTED SECURITIES IN THE NAME OF BROKER</b>		
Market Value		11,251,800
Less: securities in exposure list marked to market less 15% discount		(1,687,770)
		<u>9,564,030</u>

**6 TRADE PAYBALES**

As per book values

Less: Overdue for more than 30 days

77,800,782
(21,853,099)

**7 OTHER LIABILITIES**

Trade creditors (More than 30 days)

55,947,683
21,853,099

**8 ACCRUED EXPENSES**

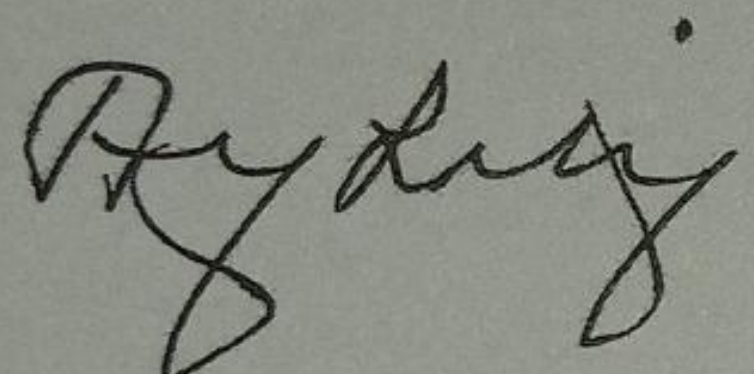
Director Salary

Auditors Fee

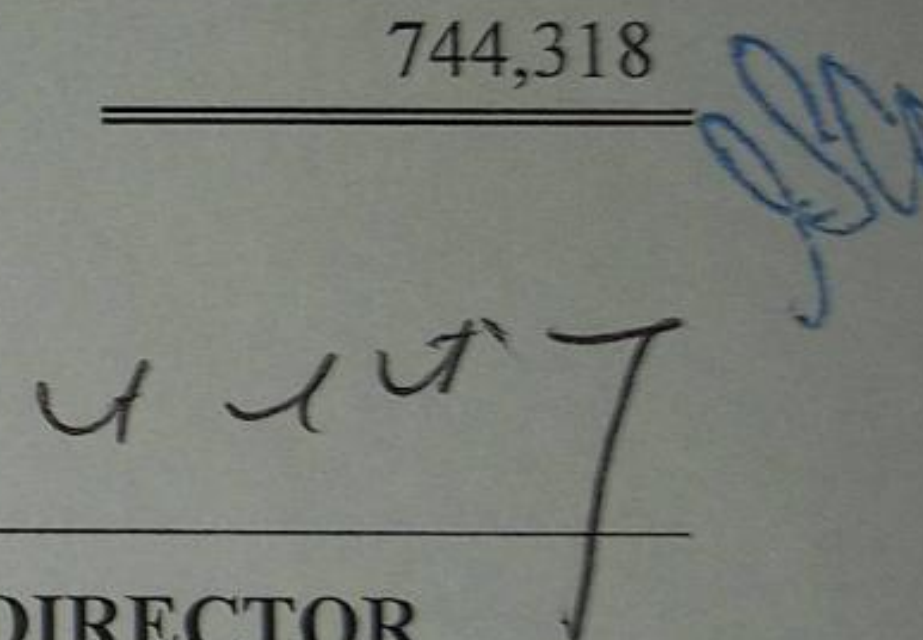
CDC

FED

600,000
16,000
67,007
61,311
744,318



CHIEF EXECUTIVE OFFICER



DIRECTOR