

INDEPENDENT AUDITORS REPORT ON STATEMENT OF NET CAPITAL BALANCE

TO THE CHIEF EXECUTIVE OFFICER OF RIAZ AHMED SECURITIES (PRIVATE) LIMITED

Opinion

We have audited the statement of Net Capital Balance of **Riaz Ahmed Securities (Private) Limited** 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 Rule 1971) issued by the Securities & Exchange Commission of Pakistan (SECP).

Basis for Opinion

We conducted our audit in accordance with International Standard on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of 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 **Riaz Ahmed 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 **Riaz Ahmed Securities (Private) Limited**, SECP, PSX and NCCPL and should not be distributed to parties other than **Riaz Ahmed 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 SEC Rule 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 refund or error.

Those charged with governance is responsible for overseeing the Securities Broker's financial reporting process.



ADVISORY - ASSURANCE - TAX

Baker Tilly Mehmood Idrees Qamar, Chartered Accountants trading as Baker Tilly is a Member of the global network of Baker Tilly International Ltd. the members of which are separate and independent legal entities.

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 on accordance with ISAs, we exercise professional judgment and maintain professional scepticism 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 misstatements, 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.

Place: Peshawar
Date: February 10, 2020

Baker Tilly Mehmood Idrees Qamar

Baker Tilly Mehmood Idrees Qamar
Chartered Accountants

Engagement Partner: Abdur Rub Khan

Enclosed:

- Statement of Net Capital Balance



ADVISORY - ASSURANCE - TAX

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Ref No. _____

Date: _____

RIAZ AHMED SECURITIES (PRIVATE) LIMITED
CORPORATE TREC HOLDER OF PAKISTAN STOCK EXCHANGE
CALCULATION OF CAPITAL FOR THE PURPOSE OF RULE 2(d)
OF SECURITIES AND EXCHANGE RULES, 1971
AS AT DECEMBER 31, 2019

CURRENT ASSETS	Notes	AMOUNT (Rupees)
1 Cash and Bank Account balance	2	10,306,156
2. Trade Receivables	3	-
3. Investment in Listed Securities in the name Of Broker	4	6,841,474
4 Securities purchased for Clients		-
5. Listed TFCs/Corporate Bonds not less Than BBB Grade		-
6. PIBs		-
7. Treasury Bills		-
8 Any Other Current Asset- Margin Deposit with NCCPL		10,000
		<u>17,157,630</u>
CURRENT LIABILITIES		
1. Trade Payables	5	927,453
2 Other Liabilities	6	681,562
		<u>1,609,015</u>
NET CAPITAL BALANCE		<u><u>15,548,615</u></u>



Islamabad
February 7, 2020


Chief Executive


Director