

REVIEW REPORT ON STATEMENT OF NET CAPITAL BALANCE

To the Chief Executive Officer of **Habib Ullah Sheikh Securities (Private) Limited**

Introduction

We have reviewed the accompanying Statement of Net Capital Balance of **Habib Ullah Sheikh Securities (Private) 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 '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

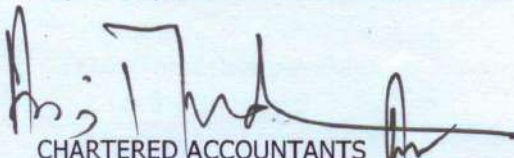
We conducted our review in accordance with International Standard on Review Engagements 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' which applies to review of historical financial information performed by the independent auditor of the Securities 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 **Habib Ullah Sheikh Securities (Private) Limited**, 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.


CHARTERED ACCOUNTANTS
Engagement Partner: Muhammad Daoud

Lahore: March 15, 2021



HABIB ULLAH SHEIKH (PVT) LIMITED
COMPUTATION OF NET CAPITAL BALANCE
AS AT DECEMBER 31, 2020

1 NET CAPITAL BALANCE

The net capital balance has been prepared on the basis of the Securities and Exchange Rules, 1971, the Securities Brokers (Licensing and Operations) Regulation, 2016 (The Regulations) and guidelines issued by Securities and Exchange Commission of Pakistan.

	Rupees	Rupees
CURRENT ASSETS		
Margin Deposit with Clearing Houses		
National Clearing Company of Pakistan Limited	1,700,000	1,700,000
Cash in hand and bank balances		
Bank balances		
Pertaining to Brokerage House	16,461,780	
Pertaining to Clients	2,928,346	
	19,390,126	
Cash in hand	4,899	19,395,025
Trade Receivables		
Receivable from National Clearing Company of Pakistan	-	
Receivables from clients	200,921	
Less: Outstanding for more than 14 days	200,921	
	-	-
Investment in Listed Securities		
Securities appearing and owned by Brokerage House		
Less: 15% discount		
Securities purchased for clients		
Receivable from clients after expiry of 14 days	164,172	164,172
		21,259,197
LESS: CURRENT LIABILITIES		
Trade and other payables		
Overdue payables	2,927,579	
Less: Overdue more than 30 days	2,927,579	
	-	
Other Liabilities		
Trade payables overdue more than 30 days	2,927,579	
Accrued expenses	69,478	
Other liabilities	29,317	
	3,026,374	3,026,374
NET CAPITAL BALANCE		<u><u>18,232,823</u></u>

CHIEF EXECUTIVE



DIRECTOR