



Crowe Hussain Chaudhury & Co.

(Chartered Accountants)

House no 982, Street no 21, Phase 4,
Bahria Town, Islamabad

Tel: +92 (51) 5737581-2

Fax: +92 (51) 5732505

crowehorwathpk@gmail.com

cahabib@hotmail.com

www.crowepak.com

**Review Report on Statement of Net Capital Balance
To the Chief Executive Officer of
Hamza Farhad Securities (Private) Limited (the Securities Broker)**

Introduction

We have reviewed the accompanying Statement of Net Capital Balance of **Hamza Farhad Securities (Private) Limited** (the Securities Broker) as at 31 December 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 and 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 **Hamza Farhad Securities (Private) 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 of statement of net capital balance of "**Hamza Farhad Securities (Private) Limited**" for the year ended 31 December 2020, resulting in this review report is Iqbal Hussain.

Place: Islamabad

Date: 12 MAR 2021


CROWE HUSSAIN CHAUDHURY & CO.
(CHARTERED ACCOUNTANTS)



HAMZA FARHAD SECURITIES (PRIVATE) LIMITED
STATEMENT OF NET CAPITAL BALANCE
AS AT DECEMBER 31, 2020

Description	Note	2020 Rupees
<u>Current Assets</u>		
Cash and bank balances	2	2,212,251
Cash margin with National Clearing Company of Pakistan Limited	3	9,432,778
Trade receivables	4	1,202,232
Securities purchased for clients	5	4,210,000
Investment in Listed Securities		806,286
Total Current Assets		17,863,547
<u>Current Liabilities</u>		
Trade payables	6	1,932,588
Other liabilities	7	7,775,627
Total Current Liabilities		9,708,215
Net Capital Balance as at December 31, 2020		8,155,332

HZ

Chief Executive



Director

Seemal Raza

HAMZA FARHAD SECURITIES (PRIVATE) LIMITED
NOTES TO THE STATEMENT OF NET CAPITAL BALANCE
AS AT DECEMBER 31, 2020

1 STATEMENT OF COMPLIANCE

- 1.1 This Net Capital Balance Statement is prepared in accordance with the requirements of the Regulation 6 and the Second Schedule of the Securities Brokers (Licensing and Operations) Regulations, 2016 read with Rule 2(d) of the Securities and Exchange Commission Rules, 1971 and SECP guidelines.
- 1.2 The accounting principles and methods of computation used in the preparation of this Statement of Net Capital Balance are the prevailing accounting policies of Hamza Farhad Securities (Private) Limited.
- 1.3 The valuation of current assets and current liabilities for the purposes of net capital balance has been determined on the basis of the following:

Description	Valuation
Cash in hand or in bank	As per Book value
Company of Pakistan Limited	As per Book value
Trade Receivables	Book value less those overdue for more
Investment in the listed securities	Securities on the exposure list marked to
Market Treasury Bills	At market value
Any other asset as may be specified by	As per the valuation basis determined by
Trade Payables	days
Other liabilities	As classified under generally accepted
	accounting principles

2 CASH AND BANK BALANCES

	Note	2020 Rupees
Cash in hand		6,317
Cash at Banks		
House Accounts		643
Client Accounts		2,205,291
		<u>2,212,251</u>

HAMZA FARHAD SECURITIES (PRIVATE) LIMITED
NOTES TO THE STATEMENT OF NET CAPITAL BALANCE
AS AT DECEMBER 31, 2020

3 CASH DEPOSITED AS MARGIN WITH NCCPL

This represents cash deposited with National Clearing Company of Pakistan Limited against exposure margin deposits. Deposits held with PSX and NCCPL as basic deposits have not been included as per the clarification issued by the Securities and Exchange Commission of Pakistan (SECP).

4 TRADE RECEIVABLES

These are stated at cost less bad and doubtful debts (if any) and debts outstanding for more than 14 days.

	2020 Rupees
Book Value	51,845,143
Less: overdue for more than 14 days	(50,642,911)
	<u>1,202,232</u>

5 SECURITIES PURCHASED FOR CLIENTS

These are the securities, purchased for the customers and held by the broker where the payment has not been received within fourteen days.

6 TRADE PAYABLES

This represents balance payable against trading of shares less trade payables overdue for more than 30 days which has been included in other liabilities (refer to note: 7).

Trade payable	8,576,433
Less: Over due more than 30 days	(6,643,845)
	<u>1,932,588</u>

7 OTHER LIABILITIES

This represents current liabilities and trade payable which are overdue for more than 30 days. Other liabilities are stated as book value.

	2020 Rupees
Trade payables overdue for more than 30 days	6,643,845
Accrued and other payables	1,131,782
	<u>7,775,627</u>

HAMZA FARHAD SECURITIES (PRIVATE) LIMITED
NOTES TO THE STATEMENT OF NET CAPITAL BALANCE
AS AT DECEMBER 31, 2020

8 GENERAL

8.1 This statement is prepared to meet the requirements of the Securities and Exchange Commission of Pakistan, Pakistan Stock Exchange Limited, and National Clearing Company of Pakistan Limited. Therefore this statement may not be suitable for any other purpose and should not be distributed to parties other than Hamza Farhad Securities (Private) Limited (the Broker), SECP, PSX and NCCPL.

8.2 DATE OF ISSUANCE

This statement is being authorized for issue on 12 MAR 2021.



Chief Executive





Director