



INDEPENDENT AUDITORS REPORT ON STATEMENT OF NET CAPITAL BALANCE
TO THE CHIEF EXECUTIVE OFFICER OF HIGH LAND SECURITIES (PVT.) LIMITED

Opinion

We have audited the Statement of Net Capital Balance of High Land Securities (Pvt) Limited (the "Securities Broker") and notes to the Statement of Net Capital Balance as at December 31, 2019 (hereinafter collectively referred to as "the statement").

In our opinion, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, 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 Rules 1971") issued by the Securities & Exchange Commission of Pakistan ("SECP").

Basis for Qualified Opinion

The Company's records include clearing-related receivables in the amount of PKR 8,526,861 as at December 31, 2019, which are included in the Company's net capital balance. We were unable to obtain sufficient and appropriate evidence to satisfy ourselves with respect to the existence, completeness, accuracy or presentation of this amount.

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

The statement is prepared to assist the Securities Broker 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 any other purpose. Our report is intended solely for the Securities Broker, SECP, PSX and NCCPL, and should not be distributed to parties other than the Securities Broker, 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 are 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 decisions 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, 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.

IECnet S.K.S.S.S

IECnet S.K.S.S.S.,
Chartered Accountants

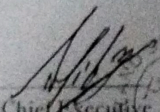
Engagement partner: **Mr. Muhammad Aslam Khan.**
Lahore.

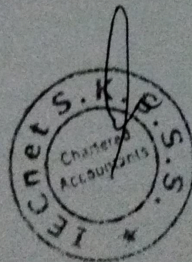
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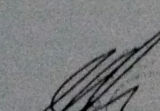
HIGH LAND SECURITIES (PVT) LIMITED
CORPORATE TREC HOLDER OF PAKISTAN STOCK EXCHANGE LIMITED
STATEMENT OF NET CAPITAL BALANCE

(In accordance with Regulation 6(3)(4) of the Securities Brokers' (Licensing & Operations) Regulations, 2016)
AS AT DECEMBER 31, 2019

A Description of Current Assets	Basis of Accounting	Note	Amount (Rupees)
1 Cash in hand & Cash at bank	As per bank value.	2	
Cash in hand			57,077
Cash at bank- House account			974,218
Cash at bank- Client account			1,031,296
			5,101,000
2 Margin deposits			
			12,003,213
3 Trade receivables	Book value less those overdue		(1,517,700)
Less: Outstanding for more than 14 days	for more than 14 days.		10,485,513
4 Investment in listed securities in the name of company	Securities on the Exposure list to Market less 15 % discount.	3	3,716,927
5 Securities purchased for client			729,615
			<u>21,064,351</u>
B Description of Current Liabilities			
1 Trade payables	Book value less those overdue		7,188,142
Less: Overdue more than 30 days	for more than 30 days.		(516,905)
			6,671,237
2 Other liabilities	As classified under the Generally Accepted Accounting Principles.	4	1,083,366
			<u>7,754,603</u>
NET CAPITAL BALANCE			<u><u>13,309,748</u></u>


Chief Executive




Director

HIGH LAND SECURITIES (PVT) LIMITED
MEMBER PAKISTAN STOCK EXCHANGE LIMITED
EXPLANATORY NOTES TO THE NET CAPITAL BALANCE AS AT DECEMBER 31, 2019

1 BASIS OF ACCOUNTING

This statement of Net Capital Balance has been prepared in accordance with the requirements of the Third Schedule read with rule 2(d) of the Securities and Exchange Commission (SEC) Rules 1971, clauses 6(3) and 6(4) of the Securities Brokers (Licensing and Operations) Regulations 2016, and related clarifications / guidelines issued by the Securities and Exchange Commission of Pakistan.

2 Cash in hand & Cash at bank

Total
(Rupees)

Cash in hand

57,077

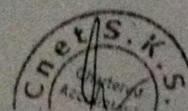
Bank balance(s) pertaining to Brokerage House

974,218

Bank balance(s) pertaining to Clients

1,031,296

Investment in Listed Securities in the name of Company		Holding As per CDC As at Dec 31, 2019	Market Rate As at Dec 31, 2019	Market Value As at Dec 31, 2019
Security Symbol	Security Name	Position Owned	Rupees	
ALIC	Alamice Insurance Company Limited	100	42.09	4,209
ANI	Aisha Steel Mills Limited	7,000	9.59	67,130
ATRL	Attock Refinery Limited	1,275	111.69	142,405
BGL	Balochistan Glass Limited	5,000	5.90	29,500
BOBK	The Bank Of Khyber	758	13.56	10,278
BYGA	Byco Petroleum Pakistan Limited	2,200	6.82	15,004
DC/KC	D.G. Khan Cement Company Limited	3,000	74.27	222,810
ESBI	Escorts Investment Bank Limited	3,000	10.40	31,200
FABJ	Faysal Bank Limited	71	19.02	1,350
FATIMA	Fanma Fertilizer Company Limited	72	26.59	1,914
FCCCL	Fauji Cement Company Limited	6,500	15.56	101,140
FDIBL	First Dawood Investment Bank Limited	81,000	1.85	149,850
FFI	Fauji Foods Limited	14,500	14.47	209,815
GGGL	Ghani Global Glass Limited	500	11.40	5,700
GTYR	The General Tyre & Rubber Company Of Pakistan Limited	1,600	55.76	89,216
HWGS	Haseeb Waqas Sugar Mills Limited - Freeze	22,500	2.31	51,975
KAPL	Kor Addu Power Company Limited	1,000	31.53	31,530
KEL	K Electric Limited	6,000	4.37	26,220
LOADS	Loads Limited	6,285	16.26	102,194
LFPSI	Lfc Financial Services Limited - Freeze	337,590		
MCB	Mcb Bank Limited	24	204.94	4,919
NIBL	Nisar Resins Limited	7,552	6.94	52,411
PIAA	Pakistan International Airlines Corporation Limited - (A)	33,000	6.67	220,110
PRCL	Pioneer Cement Limited	4,501	30.49	137,235
PMI	First Prudential Modaraba	1,000	1.25	1,250
PSO	Pakistan State Oil Company Limited	200	191.64	38,328
PSX	Pakistan Stock Exchange Limited	13,500	12.48	168,480
QFCI	Quicc Food Industries Limited	28,000	3.62	101,360
RWAM	Reliance Weaving Mills Limited	3,000	32.20	96,600
RPL	Roshan Packages Limited	1,920	21.15	40,608
SAB	Saf Textile Mills Limited	2,000	16.98	33,960
SBL	Samba Bank Limited	74	8.00	592
SCAR	The Scarle Company Limited	4,000	188.74	754,960



SHK	Silkbank Limited	13,056	0.94	12,273
SAIBL	Summit Bank Limited	21,167	1.16	24,554
SPL	Sitara Peroxide Limited	500	21.16	10,580
SSGC	Sir Southern Gas Company Limited	1,000	21.52	21,520
STPL	Subdiquons Tin Plate Limited	11,500	12.37	142,255
TRETT	Treet Corporation Limited	51,165	21.09	1,079,070
UCAPM	Unicap Modaraba	5,000	0.79	3,950
WAVIS	Waves Singer Pakistan Limited	5,450	24.63	134,234
WTL	Worldwall Telecom Limited	121	1.38	167
				4,372,856
				655,928
Total Value				3,716,927

Less: 15% Discount

4 OTHER LIABILITIES

- Trade payable overdue more than 30 days
- Accrued and other payables
- Auditor remuneration
- Provision for taxation

516,905
384,895
100,000
81,566
1,083,366



[Signature]
Chief Executive

[Signature]
Director