

**INDEPENDENT AUDITORS REPORT ON STATEMENT OF NET CAPITAL BALANCE****To the Chief Executive Officer of Shaffi Securities (Private) Limited (the Securities Broker)****Opinion**

We have audited the Statement of Net Capital Balance of **Shaffi Securities (Private) Limited** and notes to the Statement of Net Capital Balance as at June 30, 2017 (together 'the statement'). In our opinion, the financial information in the statement of **Shaffi Securities (Private) Limited** as at June 30, 2017 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 Opinion**

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**

We draw attention to Note (1) to the statement, which describes the basis of accounting. The statement is prepared to assist the **Shaffi 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 **Shaffi Securities (Private) Limited**, SECP, PSX and NCCPL and should not be distributed to parties other than **Shaffi 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 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 is 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.

The engagement partner on the audit resulting in this independent auditor's report is **FAISAL IQBAL KHAWAJA**



PARKER RANDALL A.J.S.  
CHARTERED ACCOUNTANTS

September 15, 2017



**SHAFFI SECURITIES (PRIVATE) LIMITED**  
**STATEMENT OF NET CAPITAL BALANCE**

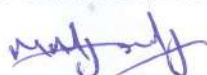
AS AT JUNE 30, 2017

(In accordance with Rule 2(d) and Third Schedule of the Securities and Exchange Rules, 1971)

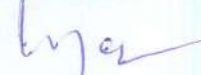
	Notes	RUPEES	RUPEES
<b>Current Assets</b>			
Cash in Hand	2.		43,714
Bank balances	3.		
Bank balances pertaining to brokerage house		233,697	
Bank balances pertaining to clients		1,282,982	1,516,679
Trade receivables	4.		
Book value		6,981,797	
Less: Overdue for more than 14 days		4,514,920	2,466,877
Securities purchased for clients	5.		1,922,604
Investment in listed securities in the name of broker	6.		
Securities on the exposure list		6,847,497	
Less: 15% adjustment (as required)		1,027,125	5,820,373
			<b>A</b> 11,770,246
<b>Current Liabilities</b>			
Trade Payables	7.		
Book Value		239,278	
Less: Overdue for more than 30 days		100,386	138,892
Other liabilities			
Accrued expenses and other liabilities	8.		481,467
Short Term Borrowings			300,355
			<b>B</b> 920,713
<b>Net Total</b>			<b>(A-B)</b> 10,849,532
Less: Amount allocated for Pakistan Mercantile Exchange Limited			(3,000,000)
<b>NET CAPITAL BALANCE</b>			<b>7,849,532</b>

September 15, 2017  
Lahore

CHIEF EXECUTIVE OFFICER




DIRECTOR



SHAFFI SECURITIES (PRIVATE) LIMITED  
 NOTES TO THE STATEMENT OF NET CAPITAL BALANCE  
 FOR THE PERIOD ENDED JUNE 30, 2017

NOTE Jun-17  
 RUPEES

Notes to the statement

1- BASIS OF ACCOUNTING & PREPARATION

1.1 Statement of Compliance

This statement has been prepared in accordance with the requirements of Rule 2(d) an Third Schedule of Securities and Exchange Rules, 1971.

1.2 Basis of Measurement

The statement has been prepared under the historical cost convention except investme in listed securities which are measured on fair value.

2. CASH IN HAND

Cash in Hand 43,714

3. BANK BALANCES

Pertaining to brokerage house 233,697  
 Pertaining to clients 1,282,982  
1,516,679

4. TRADE RECEIVABLES

Book value 6,981,797  
 Overdue for more than 14 days (4,514,920)  
2,466,877

5. SECURITIES PURCHASED FOR CLIENTS

Securities purchased for client 1,922,604

6. INVESTMENT IN LISTED SECURITIES

Securities on the exposure list 6,847,497  
 15% adjustment (as required) (1,027,125)  
5,820,373

7. TRADE PAYABLES

Book value 239,278  
 Overdue for more than 30 days (100,386)  
138,892

8. ACCRUED EXPENSES AND OTHER LIABILITIES

Overdue for more than 30 days 100,386  
 Taxes payables -  
 Other payables 381,081  
481,467



CHIEF EXECUTIVE OFFICER

September 15, 2017  
 Lahore

DIRECTOR