



**INDEPENDENT AUDITORS REPORT ON STATEMENT OF NET CAPITAL BALANCE
TO THE CHIEF EXECUTIVE OFFICER OF SHAFFI SECURITIES (PRIVATE) LIMITED**

Opinion

We have audited the Statement of Net Capital Balance of **Shaffi Securities (Private) Limited** (the "Securities Broker") and notes to the Statement of Net Capital Balance as at December 31, 2018 (hereinafter collectively referred to as "the statement").

In our opinion, the financial information in the statement of the Securities Broker as at December 31, 2018 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

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.,
Chartered Accountants**

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

Lahore.

Date: March 13, 2019

SHAFFI 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, 2018

A. <u>Description of Current Assets</u>	Basis of Accounting	Notes	Amount (Rupees)
1 Cash in hand & cash at bank	As per book value.	2	
Cash in hand			182,971
Cash at bank-House account			16,933
Cash at bank-Client account			4,729,911
			<u>4,929,815</u>
2 Margin Deposits			-
3 Trade receivables	Book value less those overdue for more than 14 days.		1,725,510
Less: Outstanding for more than 14 days			(621,265)
			<u>1,104,245</u>
4 Investment in listed securities in the name of company	Securities on the Exposure list to Market less 15 % discount.	3	20,293,003
5 Securities purchased for client			614,093
			<u>26,941,155</u>
B. <u>Description of Current Liabilities</u>			
1 Trade Payables	Book value less those overdue for more than 30 days.		644,656
Less: Overdue more than 30 days			(225,788)
			<u>418,868</u>
2 Other liabilities	As classified under the Generally Accepted Accounting Principles.	4	10,115,374
			<u>10,534,242</u>
NET CAPITAL BALANCE			<u><u>16,406,913</u></u>


Chief Executive






Director

SHAFFI SECURITIES (PVT) LIMITED
CORPORATE TREC HOLDER OF PAKISTAN STOCK EXCHANGE LIMITED
EXPLANATORY NOTES TO THE NET CAPITAL BALANCE

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 AND AT BANK

Cash in hand
Bank balance(s) pertaining to Brokerage House
Bank balance(s) pertaining to Clients

TOTAL (Rupees)	
	182,971
	16,933
	4,729,911
	4,929,815

Investment in Listed Securities in the name of Company		Holding as per CDC	Market Rate as on December 31, 2018	TOTAL
Security Symbol	Security Name	Position Owned	Rupees	Rupees
ABL	ALLIED BANK LIMITED	137	107.47	14,723
AGL	AGRITECH LIMITED	6,000	4.70	28,200
AHL	ARIF HABIB LIMITED	1,500	41.50	62,250
AICL	ADAMJEE INSURANCE COMPANY	7,500	42.02	315,150
AKBL	ASKARI BANK LIMITED	13,500	23.92	322,920
AMTEX	AMTEX LIMITED	20,000	1.18	23,600
ANL	AZGARD NINE LIMITED	1,500	11.55	17,325
APL	ATTOCK PETROLEUM LIMITED	540	431.48	232,999
ASC	AL SHAHEER CORPORATION LIMITED	86,500	23.93	2,069,945
ASL	AISHA STEEL MILLS LIMITED	1,500	10.50	15,750
ASLPS	AISHA STEEL MILLS LIMITED -PREFERENCE SHARE	674	11.68	7,872
ATIL	ATLAS INSURANCE LIMITED	3,653	61.20	223,564
ATRI	ATTOCK REFINERY LIMITED	2,175	147.52	320,856
BAFL	BANK ALFALAH LIMITED	4,000	40.59	162,360
BGL	BALUCHISTAN GLASS LIMITED	6,000	7.70	46,200
BOK	THE BANK OF KHYBER	859	12.95	11,124
BOP	THE BANK OF PUNJAB	29,135	11.97	348,746
BWCL	BESTWAY CEMENT LIMITED	675	114.58	77,342
BYCO	BYCO PETROLEUM PAKISTAN LIMITED	66,000	8.68	572,880
CTM	COLONY TEXTILE MILLS LIMITED	4,000	3.26	13,040
DCL	DEWAN CEMENT LIMITED	21,500	11.63	250,045
DEL	DAWOOD EQUITIES LIMITED	1,000	2.67	2,670
DFML	DEWAN FAROQUE MOTORS LIMITED	35,000	15.91	556,850
DGKC	D.G. KHAN CEMENT COMPANY LIMITED	700	80.15	56,105
DSIL	D. S. INDUSTRIES LIMITED	31,500	2.80	88,200
DSL	DOST STEELS LIMITED	4,000	5.56	22,240
DWSM	DEWAN SUGAR MILLS LIMITED	1,500	4.91	7,365
EFERT	ENGRO FERTILIZERS LIMITED	500	69.05	34,525
EPCL	ENGRO POLYMER & CHEMICALS	684	37.14	25,404
ESBL	ESCORTS INVESTMENT BANK LIMITED	3,000	13.89	41,670
FABL	FAYSAL BANK LIMITED	9,000	24.07	216,630
FATIMA	FATIMA FERTILIZER COMPANY LIMITED	11,000	36.47	401,170
FCCL	FAUJI CEMENT COMPANY LIMITED	1,000	20.93	20,930
FCSC	FIRST CAPITAL SECURITIES	2,000	1.58	3,160
FDIBL	FIRST DAWOOD INVESTMENT BANK	17,000	1.67	28,390
FEROZ	FEROZSONS LABORATORIES LIMITED	740	144.30	106,782
FFBL	FAUJI FERTILIZER BIN QASIM LIMITED	5,000	37.27	186,350
FFC	FAUJI FERTILIZER COMPANY LIMITED	1,500	92.85	139,275
FFL	FAUJI FOODS LIMITED	7,500	30.28	227,100
FPJM	FIRST PUNJAB MODARABA	20,000	3.60	72,000
GAIL	GHANI AUTOMOBILE INDUSTRIES	10,000	5.75	57,500
GATM	GUL AHMED TEXTILE MILLS LIMITED	93	46.17	4,294
GGGL	GHANI GLOBAL GLASS LIMITED	2,000	8.70	17,400
GGL	GHANI GASES LIMITED	125	11.84	1,480
GHGL	GHANI GLASS LIMITED	4,500	48.45	218,025
GHNI	GHANDHARA INDUSTRIES LIMITED	500	274.75	137,375

Investment in Listed Securities in the name of Company		Holding as per CDC	Market Rate as on December 31, 2018	TOTAL
Security Symbol	Security Name	Position Owned	Rupees	Rupees
GHNL	GHANDHARA NISSAN LIMITED	500	95.03	47,515
GLAXO	GLAXOSMITHKLINE PAKISTAN LIMITED	500	112.68	56,340
GTYS	THE GENERAL TYRE & RUBBER COMPANY OF PAKISTAN LIMITED	1,000	80.83	80,830
HASCOL	HASCOL PETROLEUM LIMITED	3,325	148.40	493,430
HBL	HABIB BANK LIMITED	2,037	120.45	245,357
HCAR	HONDA ATLAS CARS (PAKISTAN) LIMITED	4,400	176.54	776,776
HIFA	HBL INVESTMENT FUND - CLASS A	1,500	5.06	7,590
HINOON	HIGHNOON LABORATORIES LIMITED	200	347.65	69,530
HIRAT	HIRA TEXTILE MILLS LIMITED	4,000	4.29	17,160
HSM	HUSEIN SUGAR MILLS LIMITED	7,000	19.30	135,100
HUBC	THE HUB POWER COMPANY LIMITED	4,000	85.79	343,160
HUMNL	HUM NETWORK LIMITED	6,500	4.40	28,600
ICI	ICI PAKISTAN LIMITED	200	794.37	158,874
ICIBL	INVEST CAPITAL INVESTMENT BANK	25,000	1.17	29,250
JSBL	JS BANK LIMITED	4,500	7.37	33,165
JSCL	JAHANGIR SIDDIQUI & COMPANY	29,700	15.55	461,835
JSIL	JS INVESTMENTS LIMITED	1,000	8.00	8,000
JSML	JAUHARABAD SUGAR MILLS LIMITED	1,075	44.00	47,300
KAPCO	KOT ADDU POWER COMPANY LIMITED	9,500	49.55	470,725
KEL	K-ELECTRIC LIMITED	3,000	5.94	17,820
KOHE	KOHINOOR ENERGY LIMITED	7,000	36.95	258,650
LOADS	LOADS LIMITED	6,310	21.20	133,772
LOTCEM	LOTTE CHEMICAL PAKISTAN LIMITED	6,500	16.89	109,785
LSEFSL	LSE FINANCIAL SERVICES LIMITED -	337,590	-	-
LUCK	LUCKY CEMENT LIMITED	600	434.67	260,802
MCB	MCB BANK LIMITED	2,050	193.57	396,819
MDTL	MEDIA TIMES LIMITED	8,500	1.04	8,840
MLCF	MAPLE LEAF CEMENT FACTORY LIMITED	2,000	40.65	81,300
MSOT	MASOOD TEXTILE MILLS LIMITED	1,500	84.95	127,425
MUGHAL	MUGHAL IRON AND STEEL INDUSTRIES LTD	43,291	40.45	1,751,121
MUREB	MURREE BREWERY COMPANY LIMITED	60	813.06	48,784
NBP	NATIONAL BANK OF PAKISTAN	25,000	42.03	1,050,750
NETSOL	NETSOL TECHNOLOGIES LIMITED	1,600	69.43	111,088
NML	NISHAT MILLS LIMITED	500	126.53	63,265
PACE	PACE (PAKISTAN) LIMITED	52,000	2.05	106,600
PAEL	PAK ELEKTRON LIMITED	7,334	24.90	182,617
PAKRI	PAKISTAN REINSURANCE COMPANY	500	34.74	17,370
PASL	PERVEZ AHMED SECURITIES LIMITED	9,000	0.81	7,290
PIAA	PAKISTAN INTERNATIONAL AIRLINES	26,902	5.09	136,931
PIBTL	PAKISTAN INTERNATIONAL BULK	77,619	10.83	840,614
PKGI	THE PAKISTAN GENERAL INSURANCE	3,800	3.23	12,274
PKGS	PACKAGES LIMITED	850	386.82	328,797
POWER	POWER CEMENT LIMITED	64,652	7.83	506,225
PPL	PAKISTAN PETROLEUM LIMITED	500	149.66	74,830
PPVC	PAKISTAN PVC LIMITED	9,000	4.59	41,310
PRL	PAKISTAN REFINERY LIMITED	14,500	22.10	320,450
PSO	PAKISTAN STATE OIL COMPANY LIMITED	2,111	225.43	475,883
PTC	PAKISTAN TELECOMMUNICATION	112,000	9.61	1,076,320
QUICE	QUICE FOOD INDUSTRIES LIMITED	4,000	4.45	17,800
REDCO	REDCO TEXTILES LIMITED	25,000	3.05	76,250
REWM	RELIANCE WEAVING MILLS LIMITED	500	30.10	15,050
SANE	SALMAN NOMAN ENTERPRISES LTD. -	1,000	2.90	2,900
SCBPL	STANDARD CHARTERED BANK	500	24.12	12,060
SEARL	THE SEARLE COMPANY LIMITED	5,015	245.59	1,231,634
SERF	SERVICE FABRICS LIMITED	5,000	3.94	19,700
SHNI	SHAHEEN INSURANCE COMPANY	49,500	4.05	200,475
SIEM	SIEMENS PAKISTAN ENGINEERING CO.	126	915.03	115,294
SILK	SILKBANK LIMITED	669,500	1.25	836,875
SNBL	SONERI BANK LTD.	337	12.67	4,270
SNGP	SUI NORTHERN GAS PIPELINES LIMITED	2,200	77.07	169,554
SPL	SITARA PEROXIDE LIMITED	2,500	28.92	72,300
SSGC	SUI SOUTHERN GAS COMPANY LIMITED	10,000	23.10	231,000
SSML	SARITOW SPINNING MILLS LIMITED	1,500	5.14	7,710
TPL	TPL CORP LIMITED	11,000	6.03	66,330

Investment in Listed Securities in the name of Company		Holding as per CDC	Market Rate as on December 31, 2018	TOTAL
Security Symbol	Security Name	Position Owned	Rupees	Rupees
TREET	TREET CORPORATION LIMITED	500	23.11	11,555
TRG	TRG PAKISTAN LIMITED - CLASS 'A'	3,500	22.30	78,050
TRSM	TRUST MODARABA	500	3.80	1,900
TSMF	TRI-STAR MUTUAL FUND LIMITED	2,500	8.90	22,250
UBL	UNITED BANK LIMITED	4,012	122.64	492,032
WAHN	WAH NOBEL CHEMICALS LIMITED	100	350.00	35,000
WAVES	WAVES SINGER PAKISTAN LIMITED	4,500	24.50	110,250
WTL	WORLDCALL TELECOM LIMITED	126,500	1.39	175,835
Total Value				23,874,121
Less: 15 % Discount				(3,581,118)
				<u>20,293,003</u>

4 OTHER LIABILITIES

Trade payable overdue more than 30 days	225,788
Accruals and other payables	488,487
Short term bank borrowing	2,155,839
Loan from Director	5,110,000
Provision for taxation	173,962
NCSS Payable	1,961,298
	<u>10,115,374</u>


Chief Executive




Director