



## 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, 2017 (hereinafter collectively referred to as "the statement").

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

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 17, 2018

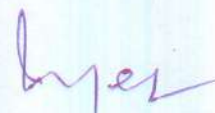
**SHAFFI SECURITIES (PRIVATE) LIMITED  
CORPORATE TREC HOLDER OF PAKISTAN STOCK EXCHANGE LIMITED  
STATEMENT OF NET CAPITAL BALANCE**

(In accordance with Regulation 6(4) of the Securities Brokers' (Licensing & Operations) Regulations, 2016)  
AS AT DECEMBER 31, 2017

<u>A. Description of Current Assets</u>	<u>Basis of Accounting</u>	<u>Notes</u>	<u>Amount (Rupees)</u>
1 <b>Cash in hand &amp; Cash in bank</b>	As per book value.	2	
Cash in hand			24,214
Cash at bank-House Account			7,286
Cash at bank-Client Account			338,379
			<u>369,878</u>
2 <b>Margin deposits</b>			1,435,794
3 <b>Trade receivables</b>	Book value less those overdue for		1,521,303
Less: Outstanding for more than 14 days	more than 14 days.		1,519,040
			<u>2,264</u>
4 <b>Investment in listed securities in the name of company</b>	Securities on the Exposure List to Market less 15 % discount.	3	10,487,446
5 <b>Securities purchased for client</b>			1,179,098
			<u>13,474,480</u>
<b>B. Description of Current Liabilities</b>			
1 <b>Trade payables</b>	Book value less those overdue for		126,863
Less: Over due more than 30 days	more than 30 days.		62,017
			<u>64,846</u>
2 <b>Other liabilities</b>	As classified under Generally Accepted Accounting Principles.	4	4,287,893
			<u>4,352,739</u>
<b>NET CAPITAL BALANCE</b>			<u><u>9,121,740</u></u>

  
\_\_\_\_\_  
Chief Executive



  
\_\_\_\_\_  
Director

**SHAFFI SECURITIES (PRIVATE) LIMITED**  
**MEMBER PAKISTAN STOCK EXCHANGE LIMITED**  
**EXPLANATORY NOTES TO THE NET CAPITAL BALANCE AS AT DECEMBER 31, 2017**

**1 BASIS OF ACCOUNTING**

This statement of Net Capital Balance has been prepared in accordance with the requirement of the Third Schedule read with rule 2 (d) of the Securities and Exchange Commission (SEC) Rules 1971 and clause 6 (4) of the Securities Brokers ( Licensing and Operations) regulations 2016 (Regulations) and the Clarifications / Guidelines in respect of the Third Schedule of the Securities and Exchange Commission (SEC) Rules 1971 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)**

24,214
7,286
338,379
<b>369,878</b>

Investment in Listed Securities in the name of Company		Holding as per CDC	Market Value as at December 31, 2017	TOTAL
Security Symbol	Security Name	Position Owned	Rupees	Rupees
AGL	AGRITTECH LIMITED	5,000	4.87	24,350
AHCL	ARIF HABIB CORPORATION LIMITED	1,502	35.47	53,276
AHL	ARIF HABIB LIMITED	8	39.55	316
AICL	ADAMJEE INSURANCE COMPANY	18,000	51.97	935,460
AMTEX	AMTEX LIMITED	20,000	1.29	25,800
ANSM	ANSARI SUGAR MILLS LIMITED	5,000	11.45	57,250
ASC	AL SHAHEER CORPORATION LIMITED	1,000	22.22	22,220
ASL	AISHA STEEL MILLS LIMITED	2,000	17.74	35,480
ASLPS	AISHA STEEL MILLS LIMITED -PREFERENCE SHARES	564	20.50	11,562
ATIL	ATLAS INSURANCE LIMITED	377	76.44	28,818
BAFL	BANK ALFALAH LIMITED	500	42.50	21,250
BGL	BALOCHISTAN GLASS LIMITED	1,000	8.86	8,860
BOP	THE BANK OF PUNJAB	22,500	8.24	185,400
BYCO	BYCO PETROLEUM PAKISTAN LIMITED	78,000	12.80	998,400
CHBL	CHENAB LIMITED - FREEZE	700	-	-
DEL	DAWOOD EQUITIES LIMITED	1,000	3.88	3,880
DFML	DEWAN FAROOQUE MOTORS LIMITED	2,500	28.37	70,925
DSFL	DEWAN SALMAN FIBRE LIMITED -	14,500	1.44	20,880
DSIL	D. S. INDUSTRIES LIMITED	1,500	2.26	3,390
DSL	DOST STEELS LIMITED	4,000	10.06	40,240
DWSM	DEWAN SUGAR MILLS LIMITED	1,000	6.50	6,500
EFGH	EFG HERMES PAKISTAN LIMITED	100	80.25	8,025
EPCL	ENGRO POLYMER & CHEMICALS	500	28.56	14,280
FABL	FAYSAL BANK LIMITED	6,500	21.26	138,190
FATIMA	FATIMA FERTILIZER COMPANY LIMITED	11,500	30.88	355,120
FCCL	FAUJI CEMENT COMPANY LIMITED	1,000	25.01	25,010
FCSC	FIRST CAPITAL SECURITIES CORPORATION LIMITED	2,000	1.70	3,400
PEROZ	PEROZSONS LABORATORIES LIMITED	800	203.81	163,048
FFBL	FAUJI FERTILIZER BIN QASIM LIMITED	100	35.54	3,554
FFL	FAUJI FOODS LIMITED	5,000	16.46	82,300
FFLNV	FAUJI FOODS LIMITED (NON-VOTING)	2,000	13.53	27,060
FPJM	FIRST PUNJAB MODARABA	20,000	4.90	98,000
GAIL	GHANI AUTOMOBILE INDUSTRIES	500	6.76	3,380
GENP	GENERTECH PAKISTAN LIMITED -	1,000	-	-
GHGL	GHANI GLASS LIMITED	1,000	64.10	64,100
HIRAT	HIRA TEXTILE MILLS LIMITED	3,000	8.32	24,960
HUMNL	HUM NETWORK LIMITED	1,500	8.17	12,255
ICIBL	INVEST CAPITAL INVESTMENT BANK	25,000	1.47	36,750
ICL	ITTEHAD CHEMICALS LIMITED	224	26.08	5,842



**SHAFFI SECURITIES (PRIVATE) LIMITED**  
**MEMBER PAKISTAN STOCK EXCHANGE LIMITED**  
**EXPLANATORY NOTES TO THE NET CAPITAL BALANCE AS AT DECEMBER 31, 2017**

IVIBL	INNOVATIVE INVESTMENT BANK	227	-	-
JOVC	JAVED OMER VOHRA & COMPANY	560	-	-
JPGL	JAPAN POWER GENERATION LIMITED -	23,000	-	-
JSCL	JAHANGIR SIDDIQUI & COMPANY	14,088	18.05	254,288
KAPCO	KOT ADDU POWER COMPANY LIMITED	12,500	53.90	673,750
KEL	K-ELECTRIC LIMITED	3,000	6.31	18,930
KOHP	KOHINOOR POWER COMPANY LIMITED	500	3.04	1,520
LOADS	LOADS LIMITED	54	40.31	2,177
LOTCEM	LOTTE CHEMICAL PAKISTAN LIMITED	16,500	7.17	118,305
MCB	MCB BANK LIMITED	655	212.32	139,070
MDTL	MEDIA TIMES LIMITED	8,000	1.70	13,600
MUGHAL	MUGHAL IRON & STEEL INDUSTRIES LIMITED	650	58.10	37,765
MUREB	MURREE BREWERY COMPANY LIMITED	100	776.34	77,634
NBP	NATIONAL BANK OF PAKISTAN	500	48.56	24,280
OGDC	OIL & GAS DEVELOPMENT COMPANY	400	162.79	65,116
PACE	PACE(PAKISTAN)LIMITED	36,500	4.14	151,110
PAEL	PAK ELEKTRON LIMITED	500	47.49	23,745
PASL	PERVEZ AHMED SECURITIES LIMITED	1,500	1.05	1,575
PIAA	PAKISTAN INTERNATIONAL AIRLINES	12,000	4.02	48,240
PIBTL	PAKISTAN INTERNATIONAL BULK	32,500	14.95	485,875
PIF	PICIC INVESTMENT FUND	1,500	13.35	20,025
PKGI	THE PAKISTAN GENERAL INSURANCE	3,800	6.95	26,410
POWER	POWER CEMENT LIMITED	27,652	8.74	241,678
PPL	PAKISTAN PETROLEUM LIMITED	50	205.91	10,296
PRL	PAKISTAN REFINERY LIMITED	500	35.18	17,590
PSO	PAKISTAN STATE OIL COMPANY LIMITED	125	293.11	36,639
PTC	PAKISTAN TELECOMMUNICATION	41,500	13.05	541,575
REDCO	REDCO TEXTILES LIMITED	25,000	4.13	103,250
SANE	SALMAN NOMAN ENTERPRISES LTD.	1,000	2.99	2,990
SCBPL	STANDARD CHARTERED BANK	500	23.85	11,925
SEARL	THE SEARLE COMPANY LIMITED	22	314.86	6,927
SERF	SERVICE FABRICS LIMITED	5,000	314.86	1,574,300
SHCI	SHAFFI CHEMICAL INDUSTRIES LIMITED	2,000	-	-
SHNI	SHAHEEN INSURANCE COMPANY	49,500	5.00	247,500
SIEM	SIEMENS PAKISTAN ENGINEERING CO.	50	938.63	46,932
SILK	SILKBANK LIMITED	583,000	5.03	2,932,490
SLL	SME LEASING LIMITED	24,000	2.87	68,880
SNGP	SUI NORTHERN GAS PIPELINES LIMITED	1,270	94.61	120,155
SPL	SITARA PEROXIDE LIMITED	500	14.87	7,435
SSGC	SUI SOUTHERN GAS COMPANY LIMITED	3,000	30.49	91,470
SSIC	SILVER STAR INSURANCE COMPANY	20,000	-	-
THCCL	THATTA CEMENT COMPANY LIMITED	5,000	22.00	110,000
TPL	TPL TRAKKER LIMITED	13,500	7.15	96,525
TREET	TREET CORPORATION LIMITED	547	37.05	20,266
TRSM	TRUST MODARABA	500	4.02	2,010
UBL	UNITED BANK LIMITED	1,200	187.97	225,564
WAHN	WAH NOBEL CHEMICALS LIMITED	100	188.30	18,830
ZELP	ZEAL PAK CEMENT FACTORY LIMITED -	239,500	-	-

<b>Total Value</b>	<b>12,338,172</b>
Less: 15 % Discount	(1,850,726)
	<b>10,487,446</b>

**4 OTHER LIABILITIES**

Trade payable overdue more than 30 days	62,017
Accrued charges	327,958
Short term borrowing	1,437,917
Loan from Director (short term)	2,460,000
	<b>4,287,893</b>

Chief Executive

Director

