

*AM CHAUDHRY SECURITIES (PRIVATE) LIMITED  
NET CAPITAL BALANCE CERTIFICATE  
AS AT 31<sup>ST</sup> DECEMBER 2016*

**Independent Auditors Report on Statement of Net Capital Balance of the Securities Brokers / Brokerage House**

**To the Board of Directors of AM Chaudhry Securities (Private) Limited**

We have audited the accompanying Statement of Net Capital Balance of AM Chaudhry Securities (Private) Limited as at 31 December 2016 ("the statement"). The statement has been prepared by management based on the requirements of the Third Schedule read with Rule 2(d) of the Securities and Exchange Commission (SEC) Rules 1971 and the Securities Brokers (Licensing and Operations) Regulations 2016 (Regulations).

**Management's Responsibility for the Statement**

Management is responsible for the preparation of the statement in accordance with SEC Rules 1971 and Regulations, 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.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the statement based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the statement is free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the statement 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the statement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial information in the Statement of Net Capital Balance of AM Chaudhry Securities (Private) Limited as at 31 December 2016 is prepared, in all material respects, in accordance with SEC Rules 1971 and Regulations.

**Basis of Accounting and Restriction on Distribution**

Without modifying our opinion, we draw attention to Note 1 to the statement, which describes the basis of accounting. The statement is prepared to assist AM Chaudhry Securities (Private) Limited to meet the requirements of SECP in accordance with the SEC Rules 1971 and Regulations. As a result, the statement may not be suitable for another purpose. Our report is intended solely for AM Chaudhry Securities (Private) Limited and SECP and should not be distributed to parties other than AM Chaudhry Securities (Private) Limited or SECP.

  
**Tariq Abdul Ghani Maqbool & Co.**  
**Chartered Accountants**  
**Shahid Mehmood**

**14 March 2016**  
**Lahore**

**AM CHAUDHRY SECURITIES (PRIVATE) LIMITED**  
**MEMBER PAKISTAN STOCK EXCHANGE LIMITED**  
**STATEMENT OF NET CAPITAL BALANCE AS AT 31 DECEMBER 2016**

(Excess of Current assets Over Current Liabilities determined in accordance with third schedule of Securities and Exchange Rules, 1971)

<u>DESCRIPTION</u>	<u>VALUATION BASIS</u>	<u>AMOUNT</u> <u>RUPEES</u>
<b>CURRENT ASSETS</b>		
Cash in hand		1,143
Cash at bank	As per Book Value	
- Pertaining to house account		2,752,671
- Pertaining to client account		2,802,635
		5,555,305
Deposit against Exposure		
Trade Receivable	Book Value	444,284
	Less Overdue For more than 14 days	416,948
		27,336
Other Receivable	Book Value	-
Investment in Listed Securities/Commodity future Contracts in the name of broker	Securities/Contract on the exposure List marked on the market Less 15% Discount	-
Securities Purchased for clients	Securities Purchased for clients and held by the member where the payment has not been received within 14 days	173,409
Investment in Shares	As per book Value Securitis appearing and owned by brokerage	-
Securities Purchased under Resale obligation		
Listed TFCs/Corporate Bonds/ other of not less than BBB grade assigned by a credit rating Company on Pakistan	Marked to Market Less 10% Discount	Nil
Pakistan Investment Bonds	Marked to Market Less 5% Discount	Nil
<b>Total Current Assets</b>		<b>5,757,193</b>
<b>CURRENT LIABILITIES</b>		
Securities sold under Repurchase Agreements	As per Book Value	Nil
Trade Payables	Book Value	2,758,499
	Less: More than 30 days payable	758,477
		2,000,021
Other Liabilities	As Classified under the Generally Accepted Accounting principles	1,056,532
<b>Total Current Liabilities</b>		<b>3,056,553</b>
<b>NET CAPITAL BALANCE AS AT 31 DECEMBER 2016</b>		<b>2,700,640</b>

  
**CHIEF EXECUTIVE**



  
**DIRECTOR**

AM CHAUDHRY SECURITIES (PRIVATE) LIMITED  
MEMBER PAKISTAN STOCK EXCHANGE LIMITED  
EXPLANATORY NOTES TO THE NET CAPITAL BALANCE AS AT 31 DECEMBER 2016

**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 and the Securities Brokers (Licensing and Operations) Regulations 2016 (Regulations) and the Clarifications / Guidelines in respect of Third Schedule of Securities and Exchange (SEC) Rules 1971 issued by Securities and Exchange Commission of Pakistan.

**2 TRADE RECEIVABLES**

Receivable from NCCPL	-
Sundry debtors	444,284
Less: over due more than 14 days	416,948
	<u>27,336</u>

**3 TRADE PAYABLES**

Payable to NCCPL	697,400
Sundry creditors	2,061,099
Less: payable more than 30 days	758,477
	<u>2,000,021</u>

**4 OTHER LIABILITIES**

Other Payables	250,770
C.V.T	302
FED PAYABLE	13,727
Provision for tax	33,256
Payable more than 30 days	758,477
	<u>1,056,532</u>

