

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

To the Board of Directors of **ASAD MUSTAFA SECURITIES (SMC-PVT) LIMITED**

We have audited the accompanying Statement of Net Capital Balance of **ASAD MUSTAFA SECURITIES (SMC-PVT) LIMITED (Company)** as at December 31, 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 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.

A MEMBER OF IECnet, A NETWORK OF INDEPENDENT ACCOUNTING FIRMS



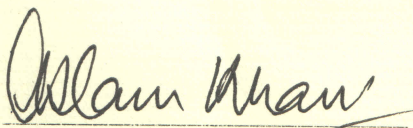
An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the statement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion .

Opinion

In our opinion, the financial information in the statement of Net Capital Balance of ASAD MUSTAFA SECURITIES (SMC-PVT) LIMITED as at December 31, 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 the aforesaid statement describe the basis of accounting. The statement is prepared to assist ASAD MUSTAFA SECURITIES (SMC-PVT) 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 ASAD MUSTAFA SECURITIES (SMC-PVT) LIMITED and SECP and should not be distributed to parties other than ASAD MUSTAFA SECURITIES (SMC-PVT) LIMITED (Company) or SECP.



MUHAMMAD ASLAM KHAN-FCA

Partner,

IECnet S.K.S.S.S

CHARTERED ACCOUNTANTS.

Lahore: January 26, 2017

ASAD MUSTAFA SECURITIES (SMC-PVT) LIMITED
CORPORATE TREC HOLDER OF PAKISTAN STOCK EXCHANGE LIMITED
CALCULATION OF NET CAPITAL BALANCE CERTIFICATE
(FOR THE PURPOSES OF RULE 2(d) OF SECURITIES AND EXCHANGE RULES 1971)
AS AT DECEMBER 31, 2016

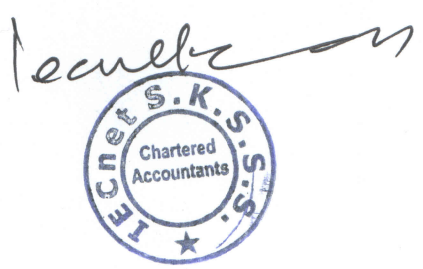
<u>A. Description of Current Assets</u>	<u>Basis of Accounting</u>	<u>Rupees</u>
1 Cash in Hand & Cash in Bank	As per book value.	
Bank Balance(s) Pertaining to Brokerage House		434,970
Bank Balance(s) Pertaining to Clients		288,498
		723,468
2 Trade Receivables	Book value less those over due for	288,644
Less: Out Standing For More Than 14 Days	more than 14 days.	10,684
		277,960
3 Investment in Listed Securities in the name of Company	Securities on the Exposure List to Market less 15 % discount.	31,782,980
		32,784,408
<u>B. Description of Current Liabilities</u>		
1 Trade Payables	Book value less those overdue for	539,885
Less: Over Due More Than 30 Days	more than 30 days.	85,784
		454,101
2 Short Term Director's Loan	As at book value	6,369,326
3 Other Liabilities	As classified under the generally accepted Accounting Principles.	71,080
		6,894,507
NET CAPITAL BALANCE		25,889,901

Asad Mustafa

Chief Executive
Lahore: January 19, 2017

Asad Mustafa

Director



ASAD MUSTAFA SECURITIES (SMC-PVT) LIMITED

Notes of Net Capital Balance

AS AT December 31, 2016

A. Description of Current Assets

1 CASH IN HAND OR IN BANK

	TOTAL
	Rupees
Cash in Hand	
Cash in House Bank Account	434,970
Cash in Client Bank Account	288,498
LSE Branch	
	723,468

3 Investment in Listed Securities in the name of Company	Holding Has per CDC	Market Value as on December 31, 2015	TOTAL
			Rupees
			-
Engro Fretlizer Limited	550,000.00	67.98	37,389,000
			37,391,741
Less: 15 % Discount			5,608,761
			31,782,980

B. Description of Current Liabilities

1 DIRECTOR LOAN

	Rupees
Director Loan	6,369,326
	6,369,326

3 OTHER LIABILITIES

	Rupees
PRA Tax Payable	70,279
Capital Value tax	801
Tade Payable More than 30 Days	85,784
	71,080

Handwritten signature: Ashraf Ali Khan