

H. H. Misbah Securities (Private) Limited

Statement of Net Capital Balance
As at June 30, 2016

Scanned
File saved
in NCB. 30.06.2016.
at Desk Top.

The Board of Directors
HH Misbah Securities (Private) Limited
Karachi

We have audited the accompanying Statement of Net Capital Balance of HH Misbah Securities (Private) Limited, as at June 30, 2016. 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. 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 **HH Misbah Securities (Private) Limited** as at **June 30, 2016** is prepared, in all material respects, in accordance with SEC Rules 1971 and Regulations.

Basis of Accounting and Restriction on Distribution

The statement is prepared to assist **HH Misbah 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 **HH Misbah Securities (Private) Limited** and SECP and should not be distributed to parties other than **HH Misbah Securities (Private) Limited** or SECP.



NASIR JAVAID MAQSOOD IMRAN
Chartered Accountants

Wednesday, September 28, 2016

H.H. Misbah Securities (Private) Limited
Statement of Net Capital Balance
As at June 30, 2016

	Rupees	Rupees
<u>CURRENT ASSETS</u>		
1 <u>Cash and Bank Balances</u>		
Cash in hand	2,846	
Bank balance pertaining to brokerage house	3,604,858	
Bank balance pertaining to clients	49,580,220	
Cash deposited as margin	21,804,930	74,992,854
2 <u>Trade Receivable</u>		
From clients	72,828,587	
Less: Overdue for more than 14 days	63,036,576	
	9,792,011	
From NCCPL	3,362,118	13,154,129
3 <u>Investment in Listed Securities in the Name of Broker</u>		
Market value	71,785,468	
Less: 15% discount	10,767,820	61,017,648
4 <u>Securities Purchased For Clients</u>	9,762,109	9,762,109
		158,926,740
<u>CURRENT LIABILITIES</u>		
5 <u>Trade Payable</u>		
Book value	47,803,769	
Less: Overdue for more than 30 days	24,690,243	23,113,527
6 <u>Other Liabilities</u>		
Trade payable over due for more than 30 days	24,690,243	
Other liabilities	4,378,708	29,068,951
		52,182,478
Net Capital		106,744,262

H. Misbah
 CHIEF EXECUTIVE OFFICER / DIRECTOR

H.H. Misbah Securities (Private) Limited
Notes to the Statement of Net Capital Balance

STATEMENT OF COMPLIANCE

The statement of net capital balance of the Company ("the Statement") of H.H. Misbah Securities (Private) Limited ("the Company") has been prepared in accordance with the Rule 2(d) 01 and Third Schedule to the Securities and Exchange Rules, 1971 and in accordance with the clarifications / guidelines issued by Securities and Exchange Commission of Pakistan (SECP).

1 BANK BALANCES AND CASH DEPOSITS

(Rupees)

These are stated at book value.

Cash in hand

2,846

Bank balance pertaining to:

Brokerage house

Bank Al Habib

3,142,272

MCB Bank Limited

8,783

Bank Islami Pakistan Limited

26,756

Bank Al-Falah Limited

27,682

Habib Bank Limited

30,373

NIB Bank Limited

14,711

Habib Metropolitan Bank Limited

5,510

Bank Islami Pakistan Limited 112934-116

937

Summit Bank Limited

38,752

Allied Bank Limited

22,754

National Bank of Pakistan

286,328

3,604,858

Clients

Bank Al-Habib Limited

41,477,149

Meezan Bank Limited

8,103,071

49,580,220

Deposits against exposure

Ready market

3,492,790

Future market

18,312,140

MTS exposure margin

-

21,804,930

Total Cash and Bank Balances

74,992,854

2 TRADE RECEIVABLES

These are stated at book value and classified as balance generated within 14 days and outstanding for more than 14 days

3 INVESTMENT IN LISTED SECURITIES IN THE NAME OF BROKER

These includes tradeable listed securities at market value less discount at 15%

H.H. Misbah Securities (Private) Limited
Notes to the Statement of Net Capital Balance

4 SECURITIES PURCHASED FOR CLIENTS

These amount represents to the lower of value of securities appearing in the clients respective sub account to the extent of overdue balance for more than 14 days or value of investments

5 TRADE PAYABLES

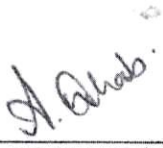
These represents balance payable against trading of shares less trade payable balances overdue for more than 30 days which has been included in other liabilities

6 OTHER LIABILITIES

These represents current liabilities, other than trade payable which are due within 30 days. Other liabilities are stated at book value.

The break up as per trial balance is as follows:

Salaries payable	900,000
Electric bill payable	43,198
CDC charges payables	79,546
Audit fee payable	360,000
Water bill payable	1,050.00
Telephone bill payable	25,240
NCCPL trade fee payable	84,374
Postage bill payable	1,441
Commission payable	1,908,897
Staff welfare fund payable	67,446
SST payable	368,843
Lunch expense Payable	120,000
Workers' welfare fund payable	418,673
	4,378,708
Total	4,378,708



CHIEF EXECUTIVE OFFICER / DIRECTOR