

**Independent Auditors Report On
Statement of Net Capital Balance
To the Board of Directors of Habib Ullah Sheikh (Pvt) Limited**

We have audited the accompanying statement of net capital balance of **Habib Ullah Sheikh (Pvt) Limited** 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) Registrations 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 Habib Ullah Sheikh (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 to Note No. 1 to the statement, which describes the basis of accounting. The statement is prepared to assist Habib Ullah Sheikh (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 Habib Ullah Sheikh (Pvt) Limited and SECP and should not be distributed to parties other than Habib Ullah Sheikh (Pvt) Limited or SECP.


CHARTERED ACCOUNTANTS
Muhammad Amin

Lahore: February 17, 2017

HABIB ULLAH SHEIKH (PVT) LIMITED
STATEMENT OF NET CAPITAL BALANCE
AS AT DECEMBER 31, 2016

1. BASIS OF PREPARATION

The net capital balance has been prepared on the basis 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).

2. COMPUTATION OF NET CAPITAL BALANCE

	Rupees	Rupees
<u>CURRENT ASSETS</u>		
Cash in hand and bank balances		
Cash deposited as margin with:		
Bank balances		
Pertaining to Brokerage House	6,406,621	
Pertaining to Clients	22,974,670	
	29,381,291	
Cash in hand	59,692	
	29,440,983	29,440,983
Trade Receivable		
Receivable from NCCPL	347,083	
Receivables from Clients	1,218,836	
Less: Outstanding for more than 14 days	531,706	
	687,130	
	1,034,213	1,034,213
Investment in Listed Securities		
Investment in Securities	21,092,717	
Less: 15% discount	3,163,908	
	17,928,809	17,928,809
Securities Purchased for Clients		
Receivables from client		
After expiry of 14 days	404,408	404,408
		48,808,413
<u>LESS: CURRENT LIABILITIES</u>		
Trade and other payables		
Overdue payables	20,176,675	
Less: Overdue more than 30 days	11,746,719	
	8,429,956	
Other Liabilities		
Trade payables overdue more than 30 days	11,746,719	
Accruals of current liabilities	92,246	
Other liabilities	50,000	
	11,888,965	20,318,921
NET CAPITAL		28,489,492

NET CAPITAL

CHIEF EXECUTIVE



Rahia Habib
DIRECTOR