



## INDEPENDENT AUDITORS REPORT ON STATEMENT OF NET CAPITAL BALANCE

### TO THE CHIEF EXECUTIVE OFFICER OF GPHSECURITIES (PRIVATE) LIMITED

#### Opinion

We have audited the Statement of Net Capital Balance of **GPH 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 15, 2018

**GPH SECURITIES (PRIVATE) LIMITED  
STATEMENT OF NET CAPITAL BALANCE**

**AS AT DECEMBER 31, 2017**

(In accordance with Regulation 6(4) of the Securities Brokers' (Licensing & Operations) Regulations, 2016)

	RUPEES	RUPEES
<b>Current Assets</b>		
Cash in Hand		38,857
Bank balances		
Bank balances pertaining to brokerage house	11,181,664	
Bank balances pertaining to clients	2,665,799	13,847,463
Trade receivables		
Book value	2,731,521	
Less: Overdue for more than 14 days	510,370	2,221,150
Securities purchased for clients		1,563,537
Investment in listed securities in the name of broker		
Securities on the exposure list	32,151,360	
Less: 15% adjustment (as required)	4,822,704	27,328,656
		<b>A</b> 44,999,664
<b>Current Liabilities</b>		
Trade Payables		
Book Value	3,049,337	
Less: Overdue for more than 30 days	1,554,067	1,495,270
Other liabilities		
Accrued expenses and other liabilities		1,737,871
		<b>B</b> 3,233,141
<b>NET CAPITAL BALANCE</b>		<b>41,766,523</b>

Date: DECEMBER 31, 2017

*Himanshu Shrivastava*  
CHIEF EXECUTIVE OFFICER

*Praveen Jaiswal*  
DIRECTOR



**JPH SECURITIES (PRIVATE) LIMITED**  
**NOTES TO THE STATEMENT OF NET CAPITAL BALANCE**  
**FOR THE PERIOD ENDED DECEMBER 31, 2017**

	NOTE	Dec-17 RUPEES
<b>1. CASH IN HAND</b>		
Cash in Hand		38,857
		<u>38,857</u>
<b>2. BANK BALANCES</b>		
Pertaining to brokerage house		11,181,664
Pertaining to clients		2,665,799
		<u>13,847,463</u>
<b>3. TRADE RECEIVABLES</b>		
Book value		2,731,521
Overdue for more than 14 days		(510,370)
		<u>2,221,150</u>
<b>4. SECURITIES PURCHASED FOR CLIENTS</b>		
Securities purchased for client		<u>1,563,537</u>
<b>5. INVESTMENT IN LISTED SECURITIES</b>		
Securities on the exposure list		32,151,360
15% adjustment (as required)		(4,822,704)
		<u>27,328,656</u>
<b>6. TRADE PAYABLES</b>		
Book value		3,049,337
Overdue for more than 30 days		(1,554,067)
		<u>1,495,270</u>
<b>7. ACCRUED EXPENSES AND OTHER LIABILITIES</b>		
Overdue for more than 30 days		1,554,067
Provisions and accruals		183,804
		<u>1,737,871</u>

*Himanshu Shukla*

**CHIEF EXECUTIVE OFFICER**

*Narinder Kaur*

**DIRECTOR**

