



INDEPENDENT AUDITORS REPORT ON STATEMENT OF NET CAPITAL BALANCE

To the Chief Executive Officer of GPH Securities (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 June 30, 2017 (hereinafter collectively referred to as "the statement").

In our opinion, the financial information in the statement of the Securities Broker as at June 30, 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.

A MEMBER OF IECnet, A NETWORK OF INDEPENDENT ACCOUNTING FIRMS



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: September 15, 2017

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

AS AT JUNE 30, 2017

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

	RUPEES	RUPEES
Current Assets		
Cash in Hand		27,523
Bank balances		
Bank balances pertaining to brokerage house	10,642,401	
Bank balances pertaining to clients	3,196,361	13,838,762
Trade receivables		
Book value	79,876	
Less: Overdue for more than 14 days	422	79,454
Securities purchased for clients		19,931
Investment in listed securities in the name of broker		
Securities on the exposure list	36,655,859	
Less: 15% adjustment (as required)	5,498,379	31,157,480
		A 45,123,151
Current Liabilities		
Trade Payables		
Book Value	3,071,417	
Less: Overdue for more than 30 days	1,392,481	1,678,936
Other liabilities		
Accrued expenses and other liabilities		1,951,413
		B 3,630,349
NET CAPITAL BALANCE		<u><u>41,492,802</u></u>

Date: JUNE 30, 2017

Humayun Shohabuddin
CHIEF EXECUTIVE OFFICER

Nauf Yalman
DIRECTOR

GPH SECURITIES PRIVATE LIMITED
NOTES TO THE STATEMENT OF NET CAPITAL BALANCE
FOR THE PERIOD ENDED JUNE 30, 2017

	RUPEES
1. CASH IN HAND	
Cash in Hand	27,523
	<u>27,523</u>
2. BANK BALANCES	
Pertaining to brokerage house	10,642,401
Pertaining to clients	3,196,361
	<u>13,838,762</u>
3. TRADE RECEIVABLES	
Book value	79,876
Overdue for more than 14 days	(422)
	<u>79,454</u>
4. SECURITIES PURCHASED FOR CLIENTS	
Securities purchased for client	19,931
	<u>19,931</u>
5. INVESTMENT IN LISTED SECURITIES	
Securities on the exposure list	36,655,859
15% adjustment (as required)	(5,498,379)
	<u>31,157,480</u>
6. TRADE PAYABLES	
Book value	3,071,417
Overdue for more than 30 days	(1,392,481)
	<u>1,678,936</u>
7. ACCRUED EXPENSES AND OTHER LIABILITIES	
Trade payables overdue for more than 30 days	1,392,481
Provisions and accruals	558,932
	<u>1,951,413</u>

Hemant Shukla

CHIEF EXECUTIVE OFFICER



Parveen Jaiswal

DIRECTOR