

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

To the Board of Directors of 128 Securities (Private) Limited

We have audited the accompanying Statement of Net Capital Balance of 128 Securities (Private) Limited as at 30 June 2017 ("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 and 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

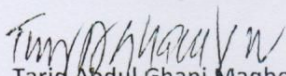
In our opinion, the financial information in the Statement of Net Capital Balance of 128 Securities (Private) Limited as at 30 June 2017 is prepared, in all material respects, in accordance with SEC Rules 1971 and Regulations.

Emphasis of Matter Paragraph

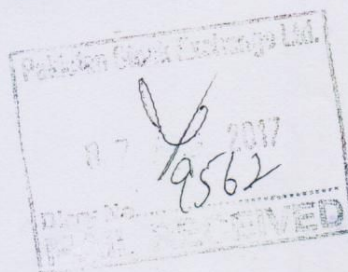
Without modifying our opinion, we draw attention to the fact that the Net Capital Balance as at 30 June, 2017 is **negative Rs. 2,500,443/-** which is below minimum net capital balance requirement for trading and clearing security company i.e. Rs. 5 million as per the Securities Brokers (Licensing and Operations) Regulations 2016 (Regulations).

Basis of Accounting and Restriction on Distribution

Without modifying our opinion, we draw attention to Note 1 to the statement, which describes the basis of accounting. The statement is prepared to assist 128 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 128 Securities (Private) Limited and SECP and should not be distributed to parties other than 128 Securities (Private) Limited or SECP.


Tariq Abdul Ghani Maqbool & Co.
Chartered Accountants
Shahid Mehmood

31 July 2017
Lahore.



128 SECURITIES (PRIVATE) LIMITED
MEMBER PAKISTAN STOCK EXCHANGE LIMITED
STATEMENT OF NET CAPITAL BALANCE AS AT 30 JUNE 2017

(Excess of Current assets Over Current Liabilities determined in accordance with third schedule of Securities and Exchange Rules, 1971)

<u>DESCRIPTION</u>	<u>VALUATION BASIS</u>	<u>AMOUNT</u> <u>RUPEES</u>
<u>CURRENT ASSETS</u>		
Cash in hand		18,147
Cash at bank	As per Book Value	
- Pertaining to house account	107,612	
- Pertaining to client account	<u>12,737,653</u>	12,845,265
Deposit against exposures		5,400,000
Trade Receivable	Book Value	16,531,881
	Less Overdue For more than 14 days	<u>15,829,971</u>
		701,910
Other Receivable	Book Value	-
Investment in Listed Securities/Commodity future Contracts in the name of broker	Securities/Contract on the exposure List marked on the market Less 15% Discount	2,409,500 <u>361,425</u>
		2,048,075
Securities Purchased for clients	Securities Purchased for clients and held by the member where the payment has not been received within 14 days	3,287,580
Investment in Shares	As per book Value Securities appearing and owned by brokerage	-
Securities Purchased under Resale obligation		Nil
Listed TFCs/Corporate Bonds/ other of not less than BBB grade assigned by a credit rating Company on Pakistan	Marked to Market Less 10% Discount	Nil
Pakistan Investment Bonds	Marked to Market Less 5% Discount	Nil
Total Current Assets		24,300,977
<u>CURRENT LIABILITIES</u>		
Securities sold under Repurchase Agreements	As per Book Value	Nil
Trade Payables	Book Value	26,284,252
	Less: More than 30 days payable	<u>17,684,600</u>
		8,599,652
Other Liabilities	As Classified under the Generally Accepted Accounting principles	18,201,768
Total Current Liabilities		26,801,420
NET CAPITAL BALANCE AS AT 30 JUNE 2017		(2,500,443)

CHIEF EXECUTIVE

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DIRECTOR

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128 SECURITIES (PRIVATE) LIMITED
MEMBER PAKISTAN STOCK EXCHANGE LIMITED
EXPLANATORY NOTES TO THE NET CAPITAL BALANCE AS AT 30 June 2017

1 This Statement of Net Capital Balance has been prepared in accordance with the requirements of the Third Schedule read with Rule 2(d) of the Securities and Exchange Commission (SEC) Rules 1971 and the Securities Brokers (Licensing and Operations) Regulations 2016 (Regulations) and the Clarifications / Guidelines in respect of Third Schedule of Securities and Exchange (SEC) Rules 1971 issued by Securities and Exchange Commission of Pakistan

2 INVESTMENT IN LISTED SECURITIES

Sr. No.	Name of Security	No. of Shares	Rate	Amount
		A	B	C = A x B
1	WORLDCALL TELECOM LIMITED	790,000	3.05	2,409,500
		<u>790,000</u>		<u>2,409,500</u>

3 TRADE RECEIVABLES

Receivable from NCCPL	8,557
Sundry debtors	16,523,324
Less: over due more than 14 days	15,829,971
	<u>701,910</u>

4 TRADE PAYABLES

Payable to NCCPL	-
Sundry Creditors	26,284,252
Less: payable more than 30 days	17,684,600
	<u>8,599,652</u>

5 OTHER LIABILITIES

Federal Exise Duty	146,988
Tax Payable	65,217
Client taxes	54,363
With holding tax	600
Other Payable	250,000
Payable more than 30 days	17,684,600
	<u>18,201,768</u>

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