

## INDEPENDENT AUDITOR'S REPORT ON STATEMENT OF NET CAPITAL BALANCE

To the Chief Executive Officer of **Nael Capital (Private) Limited**

### Opinion

We have audited the statement of Net Capital Balance of **Nael Capital (Private) Limited** and notes to the Statement of Net Capital Balance as at June 30th, 2018 (together 'the statement').

In our opinion the financial information in the statement of the Securities Broker as at June 30th, 2018 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) 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

We draw attention to Note 1 to the statement, which describes the basis of accounting. The statement is prepared to assist the **Nael Capital (Private) Limited** 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 another purpose. Our report is intended solely for **Nael Capital (Private) Limited**, SECP, PSX and NCCPL and should not be distributed to parties other than **Nael Capital (Private) Limited**, or the 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 the SECP 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 is 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.

The engagement partner on the audit resulting in this independent auditor's report is **Imran Iqbal**

Karachi  
Dated: August 31, 2018

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Chartered Accountant



**Nael Capital (Pvt.) Limited**  
**Net Capital Balance As At 30th June , 2018**

DESCRIPTION	VALUATION BASIS	Rupees VALUE
<b>CURRENT ASSETS</b>		
Cash in hand	As per book value	16,495
Cash at bank	Bank balances pertaining to brokerage house	17,169,617
	Bank balances pertaining to client	28,069,870
	Total bank balances	45,239,487
Deposits against exposure and losses with Pakistan Stock Exchange	As per book value	39,652,800
Trade Receivable	Book Value	2,505,502
	Less: overdue for more than 14 days	(1,773,590)
	Book Value less Overdue for more than 14 days	731,913
Investment in Listed Securities in the name of broker	Market value	24,824,555
	Less: 15% discount	(3,723,683)
Securities purchased for client	Securities purchased for the client and held by the member where the payment has not been received within 14 days.	174,619
Listed Term Finance Certificates/Corporate Bonds ( Not less than BBB grade)	Market value Less: 10% discount	-
Federal Investment Bonds	Market value Less: 15% discount	-
Treasury bills	Market value	-
		<u>22,007,404</u>
		106,899,691
<b>CURRENT LIABILITIES</b>		
Trade Payable	Book value	28,017,167
	Less: Overdue for more than 30 days	(4,662,137)
Other liabilities	Overdue for more than 30 days	4,662,137
	As classified under the generally accepted accounting principles.	1,979,738
		<u>6,641,875</u>
<b>Net Capital Balance As At 30th June 2018</b>		<u><u>76,902,785</u></u>

  
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 DIRECTOR



  
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