

**Khanani Securities (Private) Limited**

**Statement of Net Capital Balance**

**As at December 31, 2016**



**The Board of Directors**  
**Khanani Securities (Private) Limited**  
**Karachi**

We have audited the accompanying Statement of Net Capital Balance of **Khanani Securities (Private) Limited**, as at **December 31, 2016**. 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) 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.

*NJMI*

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A member firm of





## Opinion

In our opinion, the financial information in the statement of Net Capital Balance **Khanani Securities (Private) 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

The statement is prepared to assist **Khanani 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 **Khanani Securities (Private) Limited** and SECP and should not be distributed to parties other than **Khanani Securities (Private) Limited** or SECP.

**NASIR JAVAID MAQSOOD IMRAN**  
Chartered Accountants

*Monday, February 27, 2017*

**Khanani Securities (Private) Limited**  
**Statement of Net Capital Balance**  
**As at December 31, 2016**

	Rupees	Rupees
<b><u>CURRENT ASSETS</u></b>		
<b>1 <u>Cash and Bank Balances</u></b>		
Cash in hand	60,235	
Bank balance pertaining to brokerage house	12,739,567	
Bank balance pertaining to clients	6,650,725	
Cash deposited as margin	<u>7,400,000</u>	26,850,527
<b>2 <u>Trade Receivable</u></b>		
From clients	7,987,767	
Less: Overdue for more than 14 days	<u>12,472</u>	
	7,975,295	
From NCCPL	<u>3,028,970</u>	11,004,265
<b>3 <u>Investment in Listed Securities in the Name of Broker</u></b>		
Market value	-	
Less: 15% discount	<u>-</u>	
<b>4 <u>Securities Purchased For Clients</u></b>	<u>11,572</u>	11,572
		<u>37,866,364</u>
<b><u>CURRENT LIABILITIES</u></b>		
<b>5 <u>Trade Payable</u></b>		
Book value	14,050,725	
Less: Overdue for more than 30 days	<u>4,716,611</u>	9,334,114
<b>6 <u>Other Liabilities</u></b>		
Trade payable over due for more than 30 days	4,716,611	
Other liabilities	<u>1,345,614</u>	6,062,225
		<u>15,396,339</u>
<b>Net Capital</b>		<u><u>22,470,025</u></u>

Net Capital



CHIEF EXECUTIVE OFFICER

NOME

**Khanani Securities (Private) Limited**  
**Notes to the Statement of Net Capital Balance**

**STATEMENT OF COMPLIANCE**

The statement of net capital balance of the Company ("the Statement") of **Khanani Securities (Private) Limited** ("the Company") has been prepared in accordance with the Rule 2(d) 01 and Third Schedule to the Securities and Exchange Rules, 1971 and in accordance with the clarifications / guidelines issued by Securities and Exchange Commission of Pakistan (SECP).

**1 BANK BALANCES AND CASH DEPOSITS**

(Rupees)

These are stated at book value.

**Cash in hand** **60,235**

**Bank balance pertaining to:**

***Brokerage house***

MCB Bank Limited	11,717,789
Bank Al-Habib Limited	272,216
Habib Metropolitan Bank Limited	284,144
Bank Al-Falah Limited	71,443
NIB Bank Limited	89,370
Habib Bank Limited	46,580
JS Bank Limited	70,238
Summit Bank Limited	91,801
National Bank of Pakistan	95,987
	<b>12,739,567</b>

***Clients***

MCB Bank Limited **6,650,725**

**Deposits against exposure**

Ready market	2,700,000
Future market	4,700,000
	<b>7,400,000</b>

**Total Cash and Bank Balances**

**26,850,527**

**2 TRADE RECEIVABLES**

These are stated at book value and classified as balance generated within 14 days and outstanding for more than 14 days

**3 INVESTMENT IN LISTED SECURITIES IN THE NAME OF BROKER**

These includes tradeable listed securities at market value less discount at 15%

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**Khanani Securities (Private) Limited**  
**Notes to the Statement of Net Capital Balance**

**4 SECURITIES PURCHASED FOR CLIENTS**

These amount represents to the lower of value of securities appearing in the clients respective sub account to the extent of overdue balance for more than 14 days or value of investments

**5 TRADE PAYABLES**


These represents balance payable against trading of shares less trade payable balances overdue for more than 30 days which has been included in other liabilities

**6 OTHER LIABILITIES**

These represents current liabilities, other than trade payable which are due within 30 days. Other liabilities are stated at book value.

*The break up as per trial balance is as follows:*

Electricity bills payable	5,759
NCCL payable	36,591
Water bill payable	1,785
Telephone bills payables	5,720
CDC charges payable	30,653
Laga charges payable	4,625
Other liabilities	2,513
Workers' welfare fund payable	196,957
F.E.D payable	224,925
Provision for tax	831,642
CVT payable	4,444
	<b>1,345,614</b>
<b>Total</b>	<b>1,345,614</b>

  
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CHIEF EXECUTIVE OFFICER

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