



**Independent Auditors Report on Statement of Net Capital Balance to the
Chief Executive Officer of Ghani Osman Securities (Private) Limited**

Opinion

We have audited the Statement of Net Capital Balance of **Ghani Osman Securities (Private) Limited** and notes to the Statement of Net Capital Balance as at **June 30, 2018**.

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

Basis of Accounting and Restriction on Distribution

The statement is prepared to assist the **Ghani Osman Securities (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 **Ghani Osman Securities (Private) Limited**, SECP, PSX, and NCCPL and should not be distributed to parties other than **Ghani Osman Securities (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 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 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 risks 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.

September 13, 2018
Karachi



The stamp is circular with the text "NASIR JAVAID MAQSOOD IMRAN" around the top edge and "KARACHI" in the center. Below the center, it says "CHARTERED ACCOUNTANTS". The signature "Nasir Javaid Maqsood Imran" is written in blue ink over the stamp.

Nasir Javaid Maqsood Imran
Chartered Accountants

Ghani Osman Securities (Private) Limited
Statement of Net Capital Balance
As at June 30, 2018

DESCRIPTION	VALUATION BASIS	Note	Sub Total (Rupees)	Total
<u>Current Assets</u>				
Bank balances and cash deposit	As per book value	2		119,646,649
Trade Receivables	Book Value	3	140,375,354	
	Less: Overdue for more than fourteen days		114,605,684	
			25,769,670	
	From clearing house		4,052,860	29,822,530
Investments in listed securities in the name of broker	Securities on the exposure list marked to market less 15% discount	4	36,268,785 5,440,318	30,828,467
Securities purchased for clients	Securities purchased for the client and held by the broker where the payment has not been received within fourteen days	5		95,654,637
Listed TFCs / Corporate Bonds of not less than BBB grade assigned by a credit rating company in Pakistan.	Marked to Market less 10% discount			-
FIBs	Marked to Market less 5% discount			-
Treasury Bill	At market value			-
Any other current asset specified by the Commission	As per the valuation basis determined by the Commission			-
TOTAL ASSETS				275,952,282
<u>Current Liabilities</u>				
Trade payables	Book Value		75,801,620	
	Less: Overdue for more than 30 days	6	40,108,654	35,692,966
Other liabilities	As classified under the generally accepted accounting principles	7		67,545,520
				103,238,486
NET CAPITAL BALANCE				172,713,796

The annexed notes 1 to 7 form an integral part of the statement.


Chief Executive Officer / Director

