

MUHAMMAD TARIQ MOTI SECURITIES
(PRIVATE) LIMITED

STATEMENT OF NET CAPITAL BALANCE

FOR THE PERIOD ENDED JUNE 30, 2017

**Independent Auditor's Report to the Board of Directors of Muhammad Tariq
Moti (Private) Limited, on the Statement of Net Capital Balance
as at June 30, 2017**

We have audited the accompanying Statement of Net Capital Balance **Muhammad Tariq Moti (Private) Limited**, as at June 30, 2017 and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

Management's Responsibility for the Statement

Management is responsible for the preparation of the statement in accordance with the requirements as contained in the Schedule II of the Securities Brokers (Licensing and Operations) Regulations, 2016 and the guidebook issued by Securities and Exchange Commission of Pakistan (SECP) vide its letter dated September 08, 2016 (hereinafter, collectively referred to as 'the Requirements'), 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.

NZM

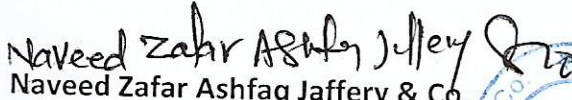
Opinion

In our opinion, the financial information provided in the Statement of Net Capital Balance of **Muhammad Tariq Moti (Private) Limited**, as at June 30, 2017 is prepared, in all material respects, in accordance with the Requirements.

Basis of Accounting and Restriction on Distribution

Without modifying our opinion, we draw attention to the Note 1 to the statement, which describes the statement of compliance. The statement is prepared to assist the Company to meet the Requirements; as a result, the statement may not be suitable for another purpose. Our report is intended solely for the Company, Pakistan Stock Exchange Limited, National Clearing Company of Pakistan Limited and the Securities and Exchange and Commission of Pakistan and should not be distributed to other parties.

NZM


Naveed Zafar Ashfaq Jaffery & Co.
Chartered Accountants



Karachi

Dated: August 25, 2017

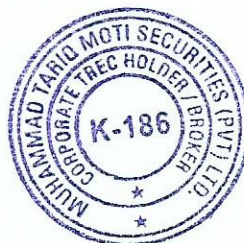
MUHAMMAD TARIQ MOTI SECURITIES (PRIVATE) LIMITED
NET CAPITAL BALANCE AS AT JUNE 30, 2017

(Excess of Current Assets over Current Liabilities as determined in accordance with the Schedule II of the Securities Brokers (Licensing and operations) Regulations, 2016)

DESCRIPTION	VALUATION BASIS	VALUE (Amount in Rupees)
<u>CURRENT ASSETS</u>		
Cash in hand	As per book value	-
Cash at bank:		
- Pertaining to brokerage house	As per book value	10,165,248
- Pertaining to clients	As per book value	11,325,600
Deposits against exposure and losses with Pakistan Stock Exchange	As per book value	-
Total bank balances	As per book value	21,490,848
Trade Receivable	Book Value Less: overdue for more than 14 days	5,984,571 (3,520,534) 2,464,037
Investment in Listed Securities in the name of broker	Market value Less: 15% discount	26,542,365 (3,981,355) 22,561,010
Securities purchased for client	Securities purchased for the client and held by the member where the payment has not been received within 14 days.	1,620,754
Listed Term Finance Certificates/Corporate Bonds (Not less than BBB grade)	Market value Less: 10% discount	- - -
Federal Investment Bonds	Market value Less: 5% discount	- - -
Treasury bills	Market value	48,136,649
<u>CURRENT LIABILITIES</u>		
Trade Payable	Book value Less: Overdue for more than 30 days	11,325,600 (2,124,599) 9,201,001
Other liabilities	As classified under the generally accepted accounting principles.	558,106
Trade payables overdue by 30 days		2,124,599
		11,883,706
NET CAPITAL AS AT JUNE 30, 2017		36,252,943

Muhammad Tariq

 CHIEF EXECUTIVE



Muhammad Tariq

 DIRECTOR



NOTES TO STATEMENT OF THE NET CAPITAL BALANCE

For the period ended June 30, 2017

1 STATEMENT OF COMPLIANCE

The statement of Net Capital Balance ("the Statement") of Muhammad Tariq Moti Securities (Private) Limited ("the Company") has been prepared in accordance with the requirements as contained in the Schedule II of the Securities Brokers (Licensing and Operations) Regulations, 2016 and the guidebook issued by Securities and Exchange Commission of Pakistan (SECP) vide its letter dated September 08, 2016. All figures have been extracted from audited financial statements of the Company for the period ended June 30, 2017.

2 BANK BALANCES AND CASH DEPOSITS

Note

----- Rupees -----

These are stated at book value.

Cash in hand

-

Bank balance pertaining to:

 Brokerage house

10,165,248

 Client

11,325,600

Total bank balance.

21,490,848

Less: adjustment to restrict client account to overall creditors

2.1

-

Deposit against exposure and losses with Pakistan Stock Exchange Limited

-

21,490,848

2.1 The client's bank account balance amounting to Rs. Nil has been restricted to overall trade payable balance for the purpose of Net Capital Balance in accordance with clause 1.5 of clarification/guidelines issued by SECP on July 3, 2013 as follows:

3 TRADE RECEIVABLES

These are valued at cost less bad and doubtful debts (if any) and debts outstanding for more than 14 days.

----- Rupees -----

Total receivable

5,984,571

Outstanding for more than 14 days

(3,520,534)

Balance generated within 14 days and/or not yet due

2,464,037

4 INVESTMENT IN LISTED SECURITIES IN THE NAME OF BROKER

These include investments in following listed equity securities which are pledged with different banks as security against short term running finance facilities or with the Pakistan Stock Exchange. Further, listed securities which are on the default counter of the stock exchange are valued at market rates prevailing as on June 30, 2017 less 15% discount as prescribed in Schedule II of the Securities Brokers (Licensing and Operations) Regulations, 2016. Securities on default counter and those not appearing on the exposure list of the stock exchange where such securities are listed have been excluded from the calculation.



Name of the company/ bank	No. of shares pledged
Engro Fertilizers Limited	60,000
Fauji Cement Company Limited	50,000
Fauji Fertilizer Company Limited	60,000
Kot Addu Power Company Limited	55,000
MCB Bank Limited	<u>26,500</u>
	251,500

5 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.

6 TRADE PAYABLES

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

7 OTHER LIABILITIES

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

The breakup is as follows:

----- Rupees -----

Accrued expenses	246,192
Other Liabilities	<u>311,914</u>
	558,106

8 DATE OF ISSUANCE

This statement is being issued on 25-08-2017

Munir Tariq

CHIEF EXECUTIVE



M. Tariq
DIRECTOR