

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

To the Board of Directors of **Abbasi and Company (Private) Limited**

We have audited the accompanying Statement of Net Capital Balance of **Abbasi and Company (Private) Limited** as at **December 31, 2016** ("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 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.

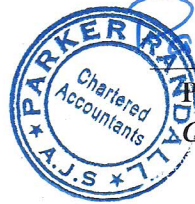
Opinion

In our opinion, the financial information in the statement of Net Capital Balance of **Abbasi and Company (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

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 **Abbasi and Company (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 **Abbasi and Company (Private) Limited** and SECP and should not be distributed to parties other than **Abbasi and Company (Private) Limited** or SECP.

March 09, 2017
Lahore



Faisal Iqbal Khawaja

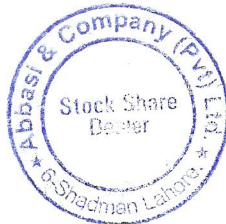
Parker Randall – A.J.S
Chartered Accountants

Engagement Partner
Faisal Iqbal Khawaja

ABBASI AND COMPANY (PRIVATE) LIMITED
STATEMENT OF NET CAPITAL
UNDER THIRD SCHEDULE [RULE 2 (d)]
SECURITIES AND EXCHANGE RULES 1971
AS AT DECEMBER 31, 2016

<u>CURRENT ASSETS</u>	<u>NOTE</u>	<u>Rupees</u>
Cash in Hand.	2	4,621,129
Cash at Bank - Clients		189,359,432
Cash at Bank -Brokerage House		<u>94,825,397</u>
		288,805,958
Trade Receivables.		
Book Value	3	2,534,803
Less:		
Overdue for more then 14 days.		<u>(1,474,185)</u>
		1,060,618
Investment in Listed Securities in the Name of Broker.		
Securities on Exposure List Marked to Market.	4	54,975,435
Less:		
15 % Discount.		<u>(8,246,315)</u>
		46,729,120
		<u>336,595,696</u>
<u>CURRENT LIABILITIES</u>		
Trade Payables		
Book Value	5	189,359,432
Less:		
Overdue for more then 30 days.		<u>(16,491,079)</u>
		172,868,353
Provisions and Accruals	6	24,187,467
		<u>197,055,820</u>
Total		<u>139,539,876</u>
Less: Amount allocated for Pakistan Mercantile Exchange Ltd.		(3,000,000)
<u>Net Capital Balance</u>		<u>136,539,876</u>

Muhammad Ismail
CHIEF EXECUTIVE



S. Abbasi
DIRECTOR



For Abbasi & Company (PVT) Limited
TREC HOLDER: Pakistan Stock Exchange Limited Code # 311

LAHORE
MARCH 09, 2017