

**INDEPENDENT AUDITORS' REPORT ON STATEMENT OF NET CAPITAL BALANCE**

**To the Chief Executive Officer of Value Stock and Commodities (Private) Limited**

**Opinion**

We have audited the Statement of Net Capital Balance of Value Stock and Commodities (Private) Limited and notes to the Statement of Net Capital Balance as at June 30, 2019 (together 'the statement').

In our opinion, the financial information in the Statement of Net Capital Balance as at June 30, 2019 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.

**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 Company 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 the Company, SECP, PSX and NCCPL and should not be distributed to parties' other than the Company 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.

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## 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  
**Muhammad Safder, FCA**

*Tariq Abdul Ghani Maqbool & Co.*  
**Tariq Abdul Ghani Maqbool and Co.**  
Chartered Accountants  
Lahore  
September 16, 2019

# Value Stock and Commodities (Pvt.) Ltd.



Corporate Member Pakistan Mercantile Exchange (PMEX)

## VALUE STOCK AND COMMODITIES (PRIVATE) LIMITED STATEMENT OF NET CAPITAL BALANCE AS AT JUNE 30, 2019

(Excess of Current Assets over Current Liabilities determined 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))

| DESCRIPTION  | VALUATION BASIS  | Note. | Sub Total                  | Total                   |
|--|--|-------|----------------------------|-------------------------|
| .....Rupees.....                                       |  |       |                            |                         |
| <b><u>CURRENT ASSETS</u></b>                           |  |       |                            |                         |
| Cash and bank balances                                 | As per book value  | 2     |                            | 1,338,512               |
| Margin deposits  |  |       |                            | 7,050,000               |
| Trade receivables                                      | As per book value<br>Less: Overdue for more than 14 days | 3     | 36,993,694<br>(36,304,100) | 689,594                 |
| Investments in listed securities in the name of Broker | At Market value<br>Less: 15% of market value             | 4     | 28,174,673<br>(4,226,201)  | 23,948,472              |
| Securities purchased for clients                       |  | 5     |                            | 369,438                 |
| <i>Total</i>   |  |       |                            | 33,396,016              |
| <b><u>CURRENT LIABILITIES</u></b>                      |  |       |                            |                         |
| Trade Payables   | As per book value<br>Less: Overdue for more than 30 days | 6     | 7,112,024<br>(4,939,393)   | 2,172,631               |
| Overdue for more than 30 days                          |  |       |                            | 4,939,393               |
| Accrued and other Liabilities                          |  | 7     |                            | 19,682,344              |
| <i>Total</i>   |  |       |                            | 26,794,368              |
| <b><u>NET CAPITAL BALANCE AS AT JUNE 30, 2019</u></b>  |  |       |                            | <b><u>6,601,648</u></b> |

The annexed notes 1 to 8 form an integral part of the statement.

  
Chief Executive Officer



  
Director

HEAD OFFICE:  
Office No. 1, 1st Floor, Value Tower,  
Building No. 13/R1-R2 Commercial 7---

FAISALABAD BRANCH  
Room # 520,



**VALUE STOCK AND COMMODITIES (PRIVATE) LIMITED**  
**NOTES TO THE STATEMENT OF NET CAPITAL BALANCE**  
**FOR THE YEAR ENDED JUNE 30, 2019**

**1 STATEMENT OF COMPLIANCE**

The statement of Net Capital Balance ("the Statement") has been prepared 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). All figures have been obtained from the (Un-audited) financial statements of the Company for the period ended December 31, 2018.

**2 CASH AND BANK BALANCES**

These are stated at book value.

Cash in hand

Bank balances pertaining to:

- Proprietary accounts
- Clients account

|  | Note | 30-Jun-19<br>(Rupees) |
|--|------|-----------------------|
|  |      | 25,521                |
|  |      | 360,656               |
|  |      | 952,335               |
|  |      | 1,312,991             |
|  |      | 1,338,512             |

**3 TRADE RECEIVABLES**

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

Total Receivables

Less: Outstanding for more than 14 days

Balance generated within 14 days and/ or not yet due

|  |  |              |
|--|--|--------------|
|  |  | 36,993,694   |
|  |  | (36,304,100) |
|  |  | 689,594      |

**4 INVESTMENTS IN LISTED SECURITIES IN THE NAME OF BROKER**

These represent investments in listed equity securities which are not on the default counter of the stock exchange and are valued at market rates prevailing as on 30 June 2019 less 15% discount as prescribed in Rule 2(d) of the Second Schedule to the Securities and Exchange Rules, 1971.

**5 SECURITIES PURCHASED FOR CLIENTS**

Value of trade receivable outstanding for more than 14 days are included in the computation of net capital balance to the extent of outstanding amount or value of securities, whichever is less.

**6 TRADE PAYABLES**

This represent balances payable against trading of shares less trade payable balance overdue for more than 30 days which have been shown separately on the face of Statement of Net Capital Balance.

**7 ACCRUED AND OTHER LIABILITIES**

These represent current liabilities, other than trade payables. Other liabilities are stated at book value. The break up is as follows:

- Accrued & other liabilities
- Short term running finance
- Current portion of long term loan

|  |  | 30-Jun-19  |
|--|--|------------|
|  |  | 2,181,566  |
|  |  | 7,900,778  |
|  |  | 9,600,000  |
|  |  | 19,682,344 |

**8 DATE OF ISSUANCE**

This statement was authorized for issue on September 16, 2019.

  
**Chief Executive Officer**



  
**Director**