

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

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

### Opinion

We have audited the Statement of Net Capital Balance of the Value Stock and Commodities (Private) Limited and notes to the Statement of Net Capital Balance as at December 31, 2020 (together 'the statement').

In our opinion, the financial information in the Statement of Net Capital Balance as at December 31, 2020 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

January 18, 2021




VALUE STOCK AND COMMODITIES (PRIVATE) LIMITED  
CORPORATE TREC HOLDER OF PAKISTAN STOCK EXCHANGE LIMITED  
CALCULATION OF AUDITED NET CAPITAL BALANCE  
(In accordance with Regulation 6(4) of the Securities Brokers' (Licensing & Operations) Regulations, 2016)  
AS AT DECEMBER 31, 2020

<u>A. Description of Current Assets</u>	Basis of Accounting	Note	Amount (Rupees)
1 Cash and bank balances	As per book value.		
Cash in hand			97,352
Cash at bank-House Account			1,616,977
Cash at bank-Client Account			19,673,195
			<u>21,387,524</u>
2 Margin deposits			23,175,000
3 Trade receivables	Book value less those overdue for more		22,365,674
Less: Outstanding for more than 14 days	than 14 days.		(21,845,469)
			<u>520,205</u>
4 Investment in listed securities in the name of company	Securities on the Exposure List to Market less 15 % discount.	2	43,468,924
5 Securities purchased for client			430,464
6 Other receivables			8,653,023
			<u>97,635,141</u>
<b>B. Description of Current Liabilities</b>			
1 Trade payables	Book value less those overdue for more		50,782,589
Less: Overdue more than 30 days	than 30 days.		(4,437,908)
			<u>46,344,682</u>
2 Other liabilities	As classified under the Generally Accepted Accounting Principles.	3	20,721,487
			<u>67,066,169</u>
NET CAPITAL BALANCE	(A-B)		<u><u>30,568,972</u></u>

  
Chief Executive



  
Director