

**INDEPENDENT AUDITORS REPORT ON STATEMENT OF NET CAPITAL BALANCE
TO THE CHIEF EXECUTIVE OFFICER OF AL-HAQ SECURITIES (PVT.) LIMITED**

Opinion

We have audited the Statement of Net Capital Balance of **AL-HAQ SECURITIES (PVT.) LIMITED (the Securities Broker)** and notes to the Statement of Net Capital Balance as at December 31, 2017 (together 'the statement').

In our opinion, the financial information in the statement of the Securities Broker as at December 31, 2017 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 no. 1 of the notes to the statement, which describes the basis of accounting. The statement is prepared to assist the **AL-HAQ SECURITIES (PVT.) LIMITED (the Securities Broker)** to meet the requirements of SECP, Pakistan Stock Exchange (PSX) and National Clearing Company of Pakistan Limited (NCCPL). As a result, the statement may not be suitable for an other purpose. Our report is intended solely for **AL-HAQ SECURITIES (PVT.) LIMITED (the Securities Broker)**, SECP, PSX, and NCCPL and should not be distributed to parties other than **AL-HAQ SECURITIES (PVT.) LIMITED (the Securities Broker)** or 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 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 decision 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, misrepresentation, or the override of internal control.
- Obtain an understanding of the 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 the 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.

ShineWing Hameed Chaudhri & Co.

SHINewing HAMEED CHAUDHRI & CO.,
CHARTERED ACCOUNTANTS
Engagement Partner: Osman Hameed Chaudhri

5/12

LAHORE; 08 MAR 2018



AL-HAQ SECURITIES (PVT.) LTD.

CORPORATE TREC HOLDER PAKISTAN STOCK EXCHANGE LTD. 228

AL-HAQ SECURITIES (PRIVATE) LIMITED
STATEMENT OF NCB UNDER RULE 2(d) OF SECURITIES AND EXCHANGE RULES, 1971
AS AT DECEMBER 31, 2017

DESCRIPTION	VALUATION BASIS	VALUE (RS)
CURRENT ASSETS		
1 Cash and cash equivalents	Book Value	54,166,066
2 Trade Receivables	Book Value	44,011,697
	Less: Overdue for more than 14 days	(9,963,483)
		34,048,214
3 Investment in listed securities in the name of house:		
Investment in Shares		17,036,886
Less: 15% of investment in Shares		(2,555,533)
		14,481,353
4 Securities purchased for clients		7,514,191
		110,209,824
CURRENT LIABILITIES		
1 Trade Payables	Book Value	67,300,359
	Less: Overdue for more than 30 days	(25,467,667)
		41,832,692
2 Other Liabilities		29,882,650
		71,715,342
NET CAPITAL BALANCE AS AT DECEMBER 31, 2017		38,494,482


Chief Executive / Director



LAHORE:

405/407, LSE Financial Services Building,
19-Khayaban-e-Ahwan-e-Iqbal, Road, Lahore-54000
Tel: + 92 (42) 36368896, 36368827, 36362010, 36361264,
36361901, 36308215-17, 36317031-32, 36314710-1,
36316707-8 Fax: + 92 (42) 36368782

GUJRANWALA:

New Steel Market, G.T. Road,
Gujranwala-Pakistan.
Tel: + 92(051)3859389, 3859222-23,
3846611-12, 3850253, 3251080
Fax: + 92(051)3259905



AL-HAQ SECURITIES (PVT.) LTD.

CORPORATE TREC HOLDER PAKISTAN STOCK EXCHANGE LTD. 228

AL-HAQ SECURITIES (PRIVATE) LIMITED NOTES TO THE STATEMENT OF NET CAPITAL BALANCE AS AT DECEMBER 31, 2017

1. STATEMENT OF COMPLIANCE

This statement of Net Capital Balance has been prepared in all material respect, in accordance with the requirements of the Second Schedule of Securities Brokers (Licensing and Operations) Regulations, 2016 read with Rule 2(d) of the Securities and Exchange Commission Rules, 1971.

2. CASH AND BANK BALANCES

	Rupees
Cash in hand	237,792
Cash at bank pertaining to clients	49,005,586
Cash at bank proprietary account	4,922,688
	54,166,066

3. INVESTMENT IN LISTED SECURITIES

No. of shares	Name of the Company	Market value Rupees.
226	Allied Bank Ltd.	19,205
229	Arif Habib Corporation Ltd.	8,123
599	Adamjee Insurance Company Ltd.	31,130
8,166	Askari Bank Ltd.	157,685
3	Akzo Nobel Pakistan Ltd.	639
140	Azgard Nine Ltd.	2,052
440	Aisha Steel Mills Ltd.	7,806
2,202	Aisha Steel Mills Ltd. Preference	45,141
255	Attock Refinery Ltd.	69,701
500	Al-Azhar Textile Mills Ltd. - Freeze	-
2,009	Bank Alfalah Ltd.	85,383
592	Bank Al Habib Ltd.	34,549
109	Biafo Industries Ltd.	23,599
500	Bank islami Pakistan Ltd.	4,645
2	The Bank Of Khyber	27
7,816	The Bank Of Punjab	64,404
8	Best Way Cement Ltd.	1,109
5,100	Byco Petroleum Pakistan Ltd.	65,280
2,350	Capital Assets Leasing Corporation	20,798
234	First Capital Mutual Fund	2,340
	Balance carried forward	633,616



[Signature]

LAHORE:

405/407, LSE Financial Services Building,
19-Rhayaban-e-Ahwan-e-Iqbal, Road, Lahore-54000
Tel: + 92 (42) 36368896, 36368827, 36362010, 36361264,
36361901, 36308215-17, 36317031-32, 36314710-1,
36316707-8 Fax: + 92 (42) 36368782

GUJRANWALA:

New Steel Market, G.T. Road,
Gujranwala-Pakistan.
Tel: + 92(055)3859389, 3859222-23,
3846611-12, 3850253, 3251080
Fax: + 92(055)3259905



AL-HAQ SECURITIES (PVT.) LTD.

CORPORATE TREC HOLDER PAKISTAN STOCK EXCHANGE LTD. 228

No. of shares	Name of the Company	Market value Rupees.
	Balance brought forward	633,616
10	Crescent Textile Mill Ltd.	299
612	Crescent Steel & Allied Products Ltd.	77,914
5,500	Dewan Cement Ltd.	95,095
342	D.G. Khan Cement Company Ltd.	45,732
14,013	Dewan Salman Fibre Ltd.	20,179
100,000	D.S. Industries Ltd.	226,000
257	Efu General Insurance	39,295
287	Efu Life Assurance Ltd.	72,752
1,601	Faysal Bank Ltd.	34,037
1,007	Fatima Fertilizer Company Ltd.	31,096
1,318	First Capital Securities Corp Ltd.	2,241
834	First Dawood Investment Bank Ltd.	1,401
500	Fauji Fertilizer Bin Qasim Ltd.	17,770
5,849	First Fidelity Leasing Modaraba	25,151
22	First Habib Modaraba	221
500	First National Bank Modaraba	1,075
2,274	First Punjab Modaraba	11,143
1,100	First Tri-Star Modaraba	12,100
160	First Udi Modaraba	3,360
26	Golden Arrow Selected Stock Fund	239
1,330	Genertech Pakistan Ltd. - Freeze	-
111	Habib-Adm Ltd.	1,764
42	Honda Atlas Car Pakistan Ltd.	21,521
856	Highnoon Laboratories Pakistan Ltd.	365,324
65	IBL Healthcare Ltd.	5,590
7	ICI Pakistan Ltd.	5,376
101,812	Invest Capital Investment Bank Ltd.	149,664
43	IGI Investment Bank Ltd.	127
298	IGI Insurance Ltd.	87,281
13	Innovative Investment Bank Ltd. - Freeze	-
1,500	Jahangir Siddiqui & Company Ltd	27,075
211	JS Large Cap. Fund	22,256
65,466	K-Electric Ltd.	413,090
82	Kohinoor Mills Ltd.	2,787
	Balance carried forward	2,452,571



Signature

LAHORE:

405/407, LSE Financial Services Building,
19-Khayaban-e-Ahwan-e-Iqbal, Road, Lahore-54000
Tel: + 92 (42) 36368896, 36368827, 36362010, 36361264,
36361901, 36308215-17, 36317031-32, 36314710-1,
36316707-8 Fax: + 92 (42) 36368782

GUJRANWALA:

New Steel Market, G.T. Road,
Gujranwala-Pakistan.
Tel: + 92(055)3859389, 3859222-23,
3846611-12, 3850253, 3251080
Fax: + 92(055)3259905



AL-HAQ SECURITIES (PVT.) LTD.

CORPORATE TREC HOLDER PAKISTAN STOCK EXCHANGE LTD. 228

No. of shares	Name of the Company	Market value Rupees.
	Balance brought forward	2,452,571
420	Kohinoor Power Company Ltd.	1,277
109	KSB Pumps Company Ltd.	33,354
500	Leather Up Ltd.	7,530
584	Lotte Chemical Pakistan Ltd.	4,187
35	MCB Bank Ltd.	7,431
1,936	Maple Leaf Cement Factory Ltd.	132,500
273	Modaraba Al-Mali	1,035
185,000	Mughal Iron & Steel Industries Ltd.	10,748,500
172	National Foods Ltd.	55,756
500	National Bank of Pakistan Ltd.	24,280
60	Nishat Mills Ltd.	8,970
20,000	Norrie Textile Mill Ltd - revoked	-
2,511	Pak Elektron Ltd.	119,247
550	Pak Datacom Ltd.	34,430
30,000	Parvez Ahmad Securities Ltd.	31,500
243	Pakistan Engineering Company Ltd.	53,399
1,609	Pakistan International Airlines Co. Ltd.	6,468
2,360	PICIC Investment Fund	31,506
247	Pioneer Cement Ltd.	15,591
212	Pakistan Petroleum Ltd.	43,653
110	MCB Pakistan Stock Market Fund	1,100
100	Pakistan Telecommunication Co Ltd.	1,305
803	Samba Bank Ltd.	5,589
2,592	Standard Chartered Bank Pak Ltd.	61,819
404	The Searle Company Ltd.	127,203
5,500	Southern Electric Power Company - Freeze	-
2,500	Shifa International Hospital Ltd.	750,000
1,000	Shahpur Textile Mills Ltd. - Freeze	-
354	Security Investment Bank Ltd.	1,505
510,198	Silk Bank Ltd.	806,113
16	Security Leasing Corporation Ltd.	168
2,153	Summit Bank Ltd.	5,964
2,246	Soneri Bank Ltd.	30,096
643	Sul Northern Gas Pipelines Ltd.	60,834
	Balance carried forward	15,664,881



Signature

LAHORE:

405/407, LSE Financial Services Building,
19-Khasyaban-e-Ahwan-e-Iqbal, Road, Lahore-54000
Tel: +92 (42) 36368896, 36368827, 36362010, 36361264,
36361901, 36308215-17, 36317031-32, 36314710-1,
36316707-8 Fax: +92 (42) 36368782

GUJRANWALA:

New Steel Market, G.T. Road,
Gujranwala-Pakistan.
Tel: +92(055)3859389, 3859222-23,
3846611-12, 3850253, 3251080
Fax: +92(055)3259905

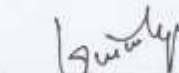
**AL-HAQ SECURITIES (PVT.) LTD.**

CORPORATE TREC HOLDER PAKISTAN STOCK EXCHANGE LTD. 228

No. of shares	Name of the Company	Market value Rupees.
	Balance brought forward	15,664,881
500	Sitara Peroxide Ltd.	7,435
100,000	Saudi Pak Leasing Co.	164,000
500	Sargodha Spinning Mills Ltd.	14,175
210	Sui Southern Gas Company Ltd.	6,403
25,000	TPL Corporation Ltd.	178,750
627	Trust Investment Bank Ltd.	897
2,636	Tri-Star Polyester Ltd.	35,454
2,408	Tri-Star Polyester Ltd.-Freeze(Right)	-
310	Trust Modaraba	1,246
1,000	Trust Securities & Brokerage House	17,500
5,500	Tri-Star Power Ltd.	29,645
325,000	World Call Telecom	916,500
1,900	Zeal Pak Cement - Freeze	-
		17,036,886

4. OTHER LIABILITIES

	Rupees
Trade payable for more than 30 days	25,467,667
Accrued expenses	278,508
Taxes payable	82,780
Accrued mark-up	7,387
Short term borrowing	4,046,308
	29,882,650


Chief Executive / Director

**LAHORE:**

405/407, LSE Financial Services Building,
19-Khayaban-e-Ahwan-e-Iqbal, Road, Lahore-54000
Tel: +92 (42) 36368896, 36368827, 36362010, 36361264,
36361901, 36308215-17, 36317031-32, 36314710-1,
36316707-8 Fax: +92 (42) 36368782

GUJRANWALA:

New Steel Market, G.T. Road,
Gujranwala-Pakistan.
Tel: +92(055)3859389, 3859222-23,
3846611-12, 3850253, 3251080
Fax: +92(055)3259905