



Rahman Sarfaraz Rahim Iqbal Rafiq

CHARTERED ACCOUNTANTS

Plot No. 180, Block-A, S.M.C.H.S.
Karachi-74400, PAKISTAN.
Tel. No.: (021) 34549345-9
Fax No.:(021) 34548210
E-Mail :info@rsrir.com
Website: www.rsrir.com
Other Offices at
Lahore - Islamabad / Rawalpindi

NET CAPITAL BALANCE CERTIFICATE

This is to certify that the Net Capital Balance of M/s. **MOHAMMAD MUNIR MOHAMMAD AHMED KHANANI SECURITIES (PRIVATE) LIMITED**, a TRE Certificate Holder of the Pakistan Stock Exchange Limited, as defined under Rule 2(d) of, and Third Schedule to the Securities and Exchange Rules, 1971, amounted to Rs. 1,327,450,641/- as at December 31, 2016.

We further confirm that the above net capital balance of M/s. **MOHAMMAD MUNIR MOHAMMAD AHMED KHANANI SECURITIES (PRIVATE) LIMITED** is calculated / arrived at on the basis of numbers / figures duly audited.

Thanking you.

Yours truly,


Rahman Sarfaraz Rahim Iqbal Rafiq
Chartered Accountants

Karachi.

Dated: 10/03/2017

A member of

Russell Bedford International

A global network of independent accountancy firms,
business consultants and specialist legal advisers.



Rahman Sarfaraz Rahim Iqbal Rafiq

CHARTERED ACCOUNTANTS

Plot No. 180, Block-A, S.M.C.H.S.
Karachi-74400, PAKISTAN.
Tel. No.: (021) 34549345-9
Fax No.:(021) 34548210
E-Mail :info@rsrir.com
Website: www.rsrir.com
Other Offices at
Lahore - Islamabad / Rawalpindi

INDEPENDENT AUDITORS REPORT ON STATEMENT OF NET CAPITAL BALANCE OF THE SECURITIES BROKERS

To the Board of Directors of Mohammad Munir Mohammad Ahmed Khanani Securities (Private) Limited

We have audited the accompanying Statement of Net Capital Balance of **Mohammad Munir Mohammad Ahmed Khanani Securities (Private) Limited** ("the Company") 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

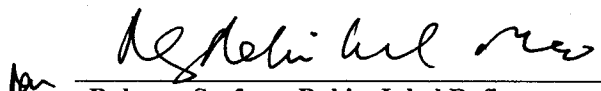
In our opinion, the financial information in the statement of Net Capital Balance of **Mohammad Munir Mohammad Ahmed Khanani Securities (Private) Limited** as at December 31, 2016 is prepared, in all material respects, in accordance with SEC Rules 1971 and Regulations.

Basis of Accounting and Restriction on Distribution

Without modifying our opinion, we draw attention to Note to the statement, which describes the basis of accounting. Our report is intended solely for **Mohammad Munir Mohammad Ahmed Khanani Securities (Private) Limited** and SECP and should not be distributed to parties other than **Mohammad Munir Mohammad Ahmed Khanani Securities (Private) Limited** or SECP.

Karachi.

Dated:



Rahman Sarfaraz Rahim Iqbal Rafiq
Chartered Accountants
Engagement Partner: Muhammad Rafiq Dosani

A member of

Russell Bedford International

A global network of independent accountancy firms,
business consultants and specialist legal advisers.

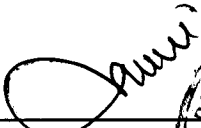
**MOHAMMAD MUNIR MOHAMMAD AHMED KHANANI
SECURITIES (PVT) LIMITED
STATEMENT OF NET CAPITAL BALANCE
AS AT DECEMBER 31, 2016**

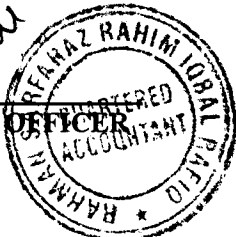
Excess of Current Assets over Current Liabilities determined in accordance with the Third Schedule of Securities and Exchange Rules, 1971 read with the SECP guidelines

DESCRIPTION	VALUATION	RUPEES
<u>CURRENT ASSETS</u>		
Cash and Bank Balances	As per Book Value	512,464,979
Trade Receivables	Book Value less overdue for more than 14 days	1,533,547,539
Investment in listed securities in the	Securities marked to market less 15% discount	2,243,136,853
Securities purchased for client	Securities purchased for the client and held by the member where the payment has not been received within 14 days.	1,187,398,674
Listed TFCs/Corporate Bonds of not	Marked to market less 10% discount.	-
FIBs	Marked to market les 5% discount.	-
Treasury Bill	At market value	-
		<u>5,476,548,045</u>
<u>CURRENT LIABILITIES</u>		
Trade Payables	Book value less overdue for more than 30 days	362,064,114
Other Liabilities	As per Book values	3,787,033,290
		<u>4,149,097,404</u>
		<u>NET CAPITAL BALANCE AS AT DECEMBER 31, 2016</u>
		<u>1,327,450,641</u>

NOTE

The financial information has been prepared in conformity with the accounting policies of Mohammad Munir Mohammad Ahmed Khanani Securities (Pvt) Limited, provisions of Securities and exchange Rules, 1971 and the guidelines issued by the Securities and Exchange Commission of Pakistan.


CHIEF EXECUTIVE OFFICER



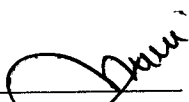



DIRECTOR

MOHAMMAD MUNIR MOHAMMAD AHMED KHANANI
SECURITIES (PVT) LIMITED
STATEMENT OF NET CAPITAL BALANCE AS AT DECEMBER 31, 2016
Excess of Current Assets over Current Liabilities determined in accordance with the
Third Schedule of Securities and Exchange Rules, 1971 read with the SECP guidelines

Notes to the statement

	<u>Rupees</u>
1 Cash and bank balances	
Cash in hand	430,907
Cash deposited as margin with KSE and NCCPL	16,500,000
Bank balance pertaining to clients	494,825,853
Bank balance pertaining to brokerage house	708,219
	<u>512,464,979</u>
2 Trade receivables	
Book value	2,693,446,438
Less: overdue for more than 14 days	(1,194,320,733)
	1,499,125,705
Balance against unsettled trade	34,421,834
	<u>1,533,547,539</u>
3 Investment in Listed Securities in the name of broker	
Securities marked to market	2,638,984,533
Less 15%	(395,847,680)
	<u>2,243,136,853</u>
4 Securities purchased for client	
Overdue balance for more than 14 days	1,194,320,733
Lower of overdue balance and securities held against such balance	1,187,398,674
5 Trade payables	
Book value	481,952,410
Less: overdue for more than 30 days	(119,888,296)
	<u>362,064,114</u>
6 Other liabilities	
Creditors overdue for more than 30 days	119,888,296
Bank Overdraft	3,512,692,398
Accrued Liabilities and Other Payables	154,452,596
	<u>3,787,033,290</u>


 CHIEF EXECUTIVE OFFICER




 DIRECTOR