



CPAAI

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

To the Chief Executive of First Capital Equities Limited

**Opinion**

We have audited the Statement of Net Capital Balance ('the statement') of First Capital Equities Limited (the Securities Broker) as at June 30, 2018.

In our opinion, the financial information in the statement of the Securities Broker as at June 30, 2018 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 "Basis of accounting note to the statement", which describes the basis of accounting. The statement is prepared to assist the First Capital Equities Limited (the Securities Broker) 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 First Capital Equities Limited (the Securities Broker), SECP, PSX and NCCPL and should not be distributed to parties other than First Capital Equities Limited (the Securities Broker) 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 are responsible for overseeing the Securities Broker's financial reporting process. *nm*

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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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

NASIR JAVAID MAQSOOD IMRAN  
CHARTERED ACCOUNTANTS

(Imran-ul-Haq)  
Islamabad.

Date: September 17, 2018.



**FIRST CAPITAL EQUITIES LIMITED  
STATEMENT OF NET CAPITAL BALANCE  
AS ON JUNE 30, 2018**

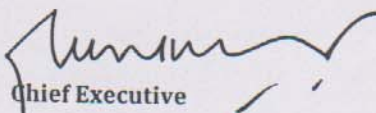
**UNDER REGULATION 6(4) AND SCHEDULE II OF THE SECURITIES BROKERS  
(LICENSING AND OPERATIONS) REGULATIONS, 2016**

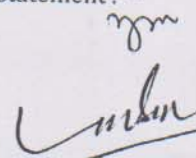
**CURRENT ASSETS**

		RUPEES
Cash deposited as margins with Stock Exchanges and National Clearing Company of Pakistan Limited		3,630,454
<b>Total bank balances</b>		
Bank Balance pertaining to clients	44,026,618	
Bank Balance pertaining to brokerage house	62,518,485	106,545,103
<b>Trade receivables</b>		
Book value	275,614,832	
Outstanding for more than 14 days	267,165,611	8,449,221
<b>Clients Securities - against overdue balance</b>		16,346,622
<b>Investment in listed securities</b>		
Investment regarding securities on exposure list	46,381,296	
Less: Hair Cut 15%	(6,957,194)	39,424,102
		<b>174,395,502</b>
<b><u>CURRENT LIABILITIES</u></b>		
<b>Trade payables within 30 days</b>		17,806,841
<b>Other Liabilities</b>		
Trade payables for more than 30 days	25,984,333	
Other current liabilities	58,855,162	84,839,495
		<b>71,749,166</b>

**Basis of accounting note to the statement:**

The statement of Net Capital Balance (the Statement) of First Capital Equities Limited has been prepared in conformity with the requirements of the 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) and guidelines issued by the SECP from time to time for calculation of the statement.

  
Chief Executive

  
Director

