

**Independent Auditors Report On  
Statement of Net Capital Balance  
To the Board of Directors of Progressive Securities (Pvt) Limited**

We have audited the accompanying statement of net capital balance of **Progressive Securities (Pvt) Limited** 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) Registrations 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.

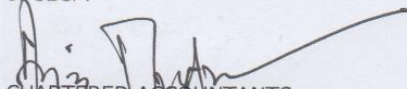
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial information in the statement of Net Capital Balance of Progressive Securities (Pvt) 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 No. 1 to the statement, which describes the basis of accounting. The statement is prepared to assist Progressive Securities (Pvt) Limited to meet the requirements of SECP in accordance with the SEC Rules 1971 and Regulations. As a result, the statement may not be suitable for another purpose. Our report is intended solely for Progressive Securities (Pvt) Limited and SECP and should not be distributed to parties other than Progressive Securities (Pvt) Limited or SECP.



CHARTERED ACCOUNTANTS  
Muhammad Amin

Lahore: March 09, 2017

**PROGRESSIVE SECURITIES (PVT) LIMITED**  
**STATEMENT OF NET CAPITAL BALANCE**  
**AS AT DECEMBER 31, 2016**



**1. BASIS OF PREPARATION**

The net capital balance has been prepared on the basis 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).

**2. COMPUTATION OF NET CAPITAL BALANCE**

|                                          | Rupees     | Rupees     |
|------------------------------------------|------------|------------|
| <b><u>CURRENT ASSETS</u></b>             |            |            |
| <b>Cash in hand and bank balances</b>    |            |            |
| Cash deposited as margin with:           |            |            |
| National Clearing Company of Pakistan    |            | 9,710,475  |
| Bank balances                            |            |            |
| Pertaining to Brokerage House            | 1,502,291  |            |
| Pertaining to Clients                    | 7,547,773  |            |
|                                          | 9,050,064  |            |
| Cash in hand                             | 1,062,478  |            |
|                                          | 10,112,542 | 10,112,542 |
| <b>Trade Receivable</b>                  |            |            |
| Receivables from Clients                 | 25,033,652 |            |
| Less: Outstanding for more than 14 days  | 15,890,768 |            |
|                                          | 9,142,884  | 9,142,884  |
| <b>Investment in Listed Securities</b>   |            |            |
| Investment in Securities                 | 9,980,000  |            |
| Less: 15% discount                       | 1,497,000  |            |
|                                          | 8,483,000  | 8,483,000  |
| <b>Securities Purchased for Clients</b>  |            |            |
| Receivables from client                  |            |            |
| After expiry of 14 days                  | 944,130    | 944,130    |
|                                          |            | 38,393,031 |
| <b><u>LESS: CURRENT LIABILITIES</u></b>  |            |            |
| <b>Trade and other payables</b>          |            |            |
| Overdue payables                         | 12,475,747 |            |
| Less: Overdue more than 30 days          | 4,415,342  |            |
|                                          | 8,060,405  |            |
| <b>Other Liabilities</b>                 |            |            |
| Trade payables overdue more than 30 days | 4,415,342  |            |
| Payable to NCCPL                         | 3,176,903  |            |
| Short term borrowings                    | 8,680,846  |            |
| Accruals of current liabilities          | 537,077    |            |
| Other liabilities                        | 123,334    |            |
|                                          | 16,933,502 | 24,993,907 |
| <b>NET CAPITAL</b>                       |            | 13,399,124 |

**NET CAPITAL**  
  
**CHIEF EXECUTIVE**



**DIRECTOR**

