

JSGCL/FIN/190/2017

March 15, 2017

Mr. Muhammad Asif  
Head of Operations  
National Clearing Company of Pakistan Limited  
8<sup>th</sup> floor, Pakistan Stock Exchange Building  
Stock Exchange Road  
Karachi

Dear Sir

**Certificate of Net Capital Balance as at December 31, 2016**

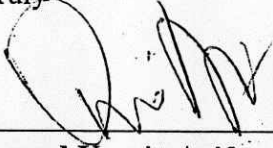
With reference to NCCPL letter no. 17/09 dated March 10, 2017 on the above captioned subject;

Find enclosed Statement of Net Capital Balance and Auditor's Report.

Please note that the allocation of Net Capital is as follows:

	<u>Rupees</u>
Allocation for Pakistan Stock Exchange Limited	1,880,758,471
Alocation for National Clearing Company of Pakistan Limited –Debt market	50,000,000
<b>Net Capital Balance as at December 31, 2016</b>	<b>1,930,758,471</b>

Yours truly

  
\_\_\_\_\_  
**Muhammad Umair Arif**  
Chief Financial Officer



## INDEPENDENT AUDITORS REPORT ON STATEMENT OF NET CAPITAL BALANCE OF JS GLOBAL CAPITAL LIMITED

### To the Board of Directors of JS Global Capital Limited

We have audited the accompanying Statement of Net Capital Balance of **JS Global Capital Limited** (Company) as at **31 December 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, the Securities Brokers (Licensing and Operations) Regulations, 2016 (Regulations) and the guidelines issued by Securities and Exchanges Commission of Pakistan (SECP) in this regard.

### 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 JS Global Capital Limited as at 31 December 2016 is prepared, in all material respects, in accordance with SEC Rules, 1971, Regulations and the guidelines issued by SECP in this regard.

*EY*

### **Basis of Accounting and Restriction on Distribution**

Without modifying our opinion, we draw attention to note 1 to the Statement, which describes the basis of accounting. The Statement is prepared to assist JS Global Capital 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 JS Global Capital Limited and SECP and should not be distributed to parties other than the Company or SECP.

*Ey Farid Rhoden*

**Chartered Accountants**


**Date:** 15 March 2017

**Karachi**


**STATEMENT OF NET CAPITAL BALANCE**  
**UNDER REGULATION 6 (4) AND SCHEDULE II OF THE SECURITIES BROKERS (LICENSING AND OPERATIONS) REGULATIONS, 2016**  
**AS AT DECEMBER 31, 2016**

Description	Valuation Basis	December 31, 2016 ----- (Rupees) -----
<b>Current assets</b>		
Cash in hand or in bank	As per book value	1,494,096,463
Trade receivables	Book value	1,690,152,370
	Less: Overdue for more than 14 days	(570,190,906)
	Book value less those overdue for more than 14 days	1,119,961,464
Investment in listed securities in the name of the broker	Market value	744,031,263
	Less: 15% discount	(111,604,689)
		632,426,574
Investment in listed TFCs of not less than BBB grade assigned by credit rating company in Pakistan	Market value	1,277,934
	Less: 10% discount	(127,793)
		1,150,141
Securities purchased for client	Securities purchased for client and held by the member where the payment has not been received within 14 days	514,790,437
		<b>A</b>
		<b>3,762,425,079</b>
<b>Current liabilities</b>		
Trade payables	Book value	850,853,226
	Less: Overdue for more than 30 days	(346,969,324)
	Book value less those overdue for more than 30 days	503,883,902
Other liabilities	As classified under generally accepted accounting principles	1,327,782,706
		<b>B</b>
		<b>1,831,666,608</b>
		<b>C = A-B</b>
		<b>1,930,758,471</b>

Net capital balance as at December 31, 2016

  
Chief Executive Officer



  
Chief Financial Officer

**JS GLOBAL CAPITAL LIMITED**  
**NOTES TO THE STATEMENT OF NET CAPITAL BALANCE**  
**AS AT DECEMBER 31, 2016**

**1. STATEMENT OF COMPLIANCE**

The Statement of Net Capital Balance (the Statement) of JS Global Capital Limited (the Company) has been prepared in conformity with the requirements of the Third Schedule read with rule 2(d) of the Securities and Exchange (SEC) Rules, 1971 and the Securities Brokers (Licensing And Operations) Regulations, 2016 (Regulations) and the guidelines issued by Securities and Exchange Commission of Pakistan (SECP) from time to time.

December 31,  
2016  
(Rupees)

**2. CASH IN HAND OR IN BANK**

Cash in hand	224,000
Exposure margins with National Clearing Company of Pakistan Limited	457,036,714
Bank balances pertaining to:	
- Brokerage house	185,982,523
- Clients	850,853,226
	1,494,096,463

*672*

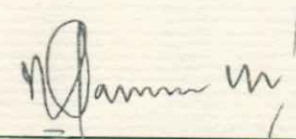
**3. TRADE RECEIVABLES**

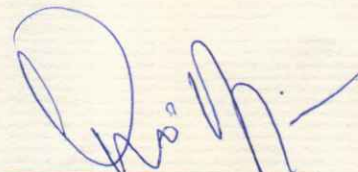
This also includes receivables against margin finance transactions amounting to Rs.295.48 million.

**4. SECURITIES PURCHASED FOR CLIENTS**

Value of trade receivable outstanding for more than 14 days are included in the computation of net capital balance to the extent of outstanding amount or value of securities (after applying VAR) whichever is less.



  
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 Chief Executive Officer

  
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 Chief Financial Officer