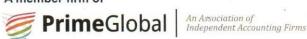


Naveed Zafar Ashfaq Jaffery & Co.

Chartered Accountants

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Independent Auditors Report on Statement of Net Capital Balance

The Chief Executive Officer

Topline Securities Limited Karachi

Opinion

We have audited the Statement of Net Capital Balance of **Topline Securities Limited** and notes to the Statement of Net Capital Balance 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

The statement is prepared to assist the **Topline Securities Limited** 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 **Topline Securities Limited** SECP, PSX, and NCCPL and should not be distributed to parties other than **Topline Securities Limited** or the SECP, PSX or NCCPL. Our opinion is not modified in respect of this matter.

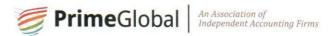
Responsibilities of Management and Those Charged with Governance for the statement

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 is responsible for overseeing the Securities Broker's financial reporting process.

Naveed Zafar Ashfaq Jaffery & Co.

Chartered Accountants



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 risks 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.

NZAJ

NAVEED ZAFAR ASHFAQ JAFFERY & CO.

Chartered Accountants

Engagement Partner - Tanveer Afzal Khan

Dated: 1 3 SEP 2018

Karachi:

TOPLINE SECURITIES LIMITED NET CAPITAL BALANCE AS AT JUNE 30, 2018

(Excess of Current Assets over Current Liabilities as determined in accordance with the Schedule II of the Securities Brokers (Licensing and Operations) Regulations, 2016)

DESCRIPTION	VALUATION BASIS	VAL	VALUE	
CURRENT ASSETS		(Amount in Rupees)		
Cash in hand	Acreshaniania			
Cash at bank:	As per book value		3,665	
- Pertaining to brokerage house	As assharbant	,		
- Pertaining to clients	As per book value		256,388,151	
Deposits against exposure with Pakistan Stock	As per book value		151,488,652	
Exchnage	As per book value	l	227,491,255	
Total bank balances	As per book value		635,371,723	
Trade Receivable				
	Book Value	147,378,424		
* *	Less: overdue for more than 14 days	(10,491,403)	136,887,021	
Investment in Listed Securities				
in the name of broker				
	Market value	90,408,716		
	Less: 15% discount	(13,561,307)	76,847,409	
Securities purchased for client	Securities purchased for the client and held b			
	the member where the payment has not bee	У	3,589,946	
	received within 14 days.	п		
	received Willim 14 days.			
Listed Term Finance Certificates/Corporate Bonds	Market value			
(Not less than BBB grade)	Less: 10% discount	1 1		
•	2033. 2078 discount	-	-	
Federal Investment Bonds	Market value			
	Less: 5% discount			
The second secon			-	
Treasury bills	Market value			
Total Current Assets		-	852,696,099	
			832,030,033	
CURRENT LIABILITIES				
Trade Payable	Book value	149,671,706		
	Less: Overdue for more than 30 days	(50,532,910)	99,138,796	
Other liabilities	As classified under the generally accepted		134,332,659	
	accounting principles.			
Toda south and the second				
Trade payables overdue by 30 days			50,532,910	
		_		
•	۲		284,004,365	
NET CARITAL AS AT MAIS 20 2040	0.7241	_		
NET CAPITAL AS AT JUNE 30, 2018	10, 7	_	568,691,734	
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CHIEF EVECUTE	(6V)	Sie Hu	Louis	
CHIEF EXECUTIVE	10/ R	DIRECTOR		