

Independent Auditors Report on Statement of Net Capital Balance of the Brokerage House

To the Board of Directors of BIPL Securities Limited (*formerly KASB Securities Limited*)

We have audited the accompanying Statement of Net Capital Balance of BIPL Securities Limited (formerly KASB Securities 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) 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 BIPL Securities Limited (formerly KASB Securities 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 1 to the statement, which describes the basis of accounting. The statement is prepared to assist BIPL Securities Limited (formerly KASB Securities Limited) to meet the requirements of Securities and Exchange Commission of Pakistan (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 BIPL Securities Limited (formerly KASB Securities Limited) and SECP/ NCCPL and should not be distributed to parties other than BIPL Securities Limited (formerly KASB Securities Limited) or SECP/ NCCPL.


Chartered Accountants

Karachi

Dated: 03 MAR 2017

BIPL SECURITIES LIMITED (FORMERLY KASB SECURITIES LIMITED)
NOTES TO THE STATEMENT OF NET CAPITAL BALANCE
AS ON DECEMBER 31, 2016

1. STATEMENT OF COMPLIANCE

The financial information has been prepared in conformity with the accounting policies of BIPL Securities Limited (Formerly KASB Securities Ltd.) provisions of Securities and Exchange Rules, 1971 and the guidelines issued by the Securities and Exchange Commission of Pakistan.

December 31,
2016
Rupees in '000'

2. TRADE RECEIVABLES

Trade debts are valued at cost less bad and doubtful debts and debts outstanding for more than 14 days.

Total Receivables as per financial statements	197,436
- Provisions	118,026
- Other receivable margin finance	118,460
	236,486
Total receivables - Gross	433,922
- Receivables other than equity	(5,367)
Gross debtors - Equity	428,555
Outstanding for more than 14 days	(151,442)
Balance generated within 14 days and / or not yet due	277,113

3. INVESTMENT IN LISTED SECURITIES IN THE NAME OF BROKER

These have been valued at market price less 15% discount.

4. SECURITIES PURCHASED FOR CLIENT

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, whichever is less.

5. TRADE PAYABLES

This represents balance payable against trading of shares less trade payable balances overdue for more than 30 days which has been included in other liabilities.

6. OTHER LIABILITIES

All current liabilities except trade payable which is shown separately, are stated at book value as follows:

- Trade payables overdue more than 30 days	314,747
- Accrued expenses	107,329
- Withholding tax	22,998
- Unclaimed dividends	1,402
- Others	1,683
- Accrued Mark-up	448,196

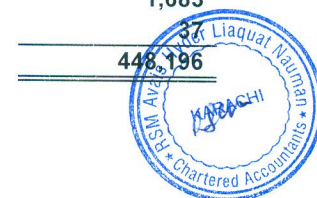
7. DATE OF ISSUANCE

03 MAR 2017

This statement is being issued on _____.



 Chief Executive Officer



BIPL SECURITIES LIMITED (FORMERLY KASB SECURITIES LIMITED)
STATEMENT OF NET CAPITAL BALANCE FOR PSX
AS ON DECEMBER 31, 2016

	Note	Rupees in '000'	%	Rupees in '000'
CURRENT ASSETS				
Cash at banks				
Bank Balances pertaining to brokerage house				2,071
Bank Balances pertaining to Clients				642,537
				644,608
Exposure deposits with National Clearing Company of Pakistan Limited				437,310
Trade receivables				
Book value				428,555
Less: Overdue for more than 14 days				(151,442)
	2			277,113
Investments				
Listed securities	3	72,499	15%	61,625
Securities purchased for clients	4			25,726
Total Current Assets	A			1,446,382
CURRENT LIABILITIES				
Trade payables				
Book value				1,013,130
Less: Overdue for more than 30 days				(314,747)
	5			698,383
Other liabilities	6			448,196
Total Current Liabilities	B			1,146,579
NET CAPITAL BALANCE	A - B			299,803

APPORTIONMENT:

Allocation of Pakistan Stock Exchange Limited (formerly Karachi Stock Exchange Limited)				259,803
Allocation of National Clearing Company of Pakistan Limited- For BATS				20,000
Allocation of Pakistan Mercantile Exchange Limited				20,000


Chief Executive Officer



202