

 **KASB** SECURITIES



**Condensed Interim Financial Information  
(Un-Audited)  
For the Quarter Ended March 31, 2016**



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## CONTENTS

	Page No.
Company Information	2
Directors' Report to the Members	3
<b>STANDALONE CONDENSED INTERIM FINANCIAL INFORMATION</b>	
Balance Sheet	10
Profit and Loss Account	11
Cash Flow Statement	12
Statement of Changes in Equity	13
Notes to the Financial Statements	14
<b>CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION</b>	
Balance Sheet	24
Profit and Loss Account	25
Cash Flow Statement	26
Statement of Changes in Equity	27
Notes to the Financial Statements	28

## COMPANY INFORMATION

### Board of Directors:

Mansur-ur-Rehman Khan - Chairman  
Anwer Ahmed Sheikh - Chief Executive Officer  
Saeed Yousuf Chinoy  
Irfan Nadeem  
Saad Ahmed Madani  
Khawaja Ehrar ul Hassan  
Fahad Asad Khan  
Ms. Natasha Matin

### Audit Committee:

Saeed Yousuf Chinoy - Chairman  
Saad Ahmed Madani  
Khawaja Ehrar ul Hassan  
Fazal Mehmood Malik - Secretary

### HR & R Committee:

Irfan Nadeem - Chairman  
Ms. Natasha Matin  
Fahad Asad Khan  
Najmus Saqib - Secretary

### Company Secretary and Acting CFO:

Ilyas Ahmed

### Auditors:

Avais Hyder Liaquat Nauman  
Chartered Accountants  
Progressive Plaza, Beaumont Road  
Karachi, Pakistan

### Bankers:

Allied Bank Limited  
Bank Al-Habib Limited  
Bank Al-Falah Limited  
BankIslami Pakistan Limited  
Faysal Bank Limited  
Habib Metropolitan Bank Limited  
JS Bank Limited  
MCB Bank Limited  
Meezan Bank Limited

### Legal Advisor:

Bawaney & Partners  
Advocates and Investment & Corporate Adviser  
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Bokhari Commercial Area, Phase -VI,  
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#### Website:

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#### Share Registrar:

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Fax: (92-21) 35655595

## DIRECTORS' REPORT TO THE MEMBERS

On behalf of the Board of Directors of KASB Securities Limited, I am pleased to present the unaudited standalone and consolidated financial statements of the Company, and review for the first quarter ended March 31, 2016.

### Economic Review

Despite the inherent challenges the prospects of economic growth appears to be stable during the first quarter of the year in the backdrop of low oil prices, low interest rate environment, uptick in credit to private sector and improvement in large scale manufacturing growth. Inflation has moderately increased to 4.0% from an average of 2.5% in previous quarter, mainly due to low base. As a result, State Bank of Pakistan adopted cautious monetary policy stance, with the newly constituted monetary policy committee keeping policy rate unchanged this year until now. LSM growth in 7MFY16 increased to 4.1% YoY compared to 3.0% YoY in the same period last year, which should keep economic growth on track, around 4.5% in FY16.

The IMF completed its tenth quarterly review of the ongoing Extended Financing Facility and approved US\$ 500 mn loan tranche as all performance criteria for December ending quarter were met. The government also successfully paid off US\$ 500 mn Eurobond that matured at the end of the quarter. Thanks to timely loan inflows, the foreign exchange reserves increased to US\$ 20.88 bn by March end.

Trade deficit expanded by 5.5% to US\$ 16.9 bn in 9MFY16, mainly due to deterioration in exports trend. Overall exports fell by 13% to US\$ 15.6 bn, while import bill eased by only 4% to US\$ 32.5 bn due to increase in import demand for capital goods. Growth in remittances have also slowed down to 4% YoY in 9MFY16, however, current account deficit remains manageable at US\$ 1.86 bn in 8MFY16 courtesy favorable oil price environment. As a result, the exchange rate has remained firm at PKR 104.8 against the USD, weathering the storm in the global economy. On fiscal front, the government's tax collection has seen marked improvement this year, and closely met its 3Q target. The government will attempt to closely hit its fiscal deficit target of 4.3% of GDP this fiscal year, by restricting its expenditures.

### Economic Review

1Q16 has turned out to be a dull period for Pakistan's equity market with significant drop in volumes by 44% to merely 136 mn shares/day compared to average volumes seen in 2015. The value traded also shrunk by 36% to US\$ 111 mn per day. The uncertainty caused by concerns on global growth, primarily due to slowdown in China, incessant outflow in Foreign Institutional Portfolio Investment (FIPI) and unfavorable changes in regulation compelled investors to reduce trading activity and dragged market performance. Overall, PSX-100 index closed at 33,139, merely 1% higher compared to its closing in Dec-15. The net outflow from FIPI recorded US\$ 100 mn in 1st quarter compared to US\$ 136 mn in the 4th quarter last year. Encouragingly, Pakistan's macro environment continued to improve in the backdrop of soft commodity prices and smooth progress on crucial reforms under the IMF program. The expected pick-up in investment and economic activity under the China Pakistan Economic Corridor is finally showing signs of progress.

A major highlight in 1st quarter is much-needed activity uptick in mergers & acquisitions in consumers, financial and energy sectors led by confluence of international and domestic players. Entry of foreign players in key sectors will go a long way in improving Pakistan investment profile and increasing economic activity in the country. Pakistan's equity market has entered into a crucial period as MSCI Inc., a provider of global index benchmark, has announced to resume consultation on its proposal for potential reclassification of Pakistan's equity market from MSCI Frontier Market (FM) to MSCI Emerging Market (EM). The index provider will announce the result of its consultation by Jun-16 with potential reclassification of the index to be implemented in one step with the scheduled revision in May-17. The potential reclassification will further strengthen Pakistan's investment case and will allow Pakistan to tap into bigger investor base. Whilst slowdown in trading activity in first quarter is quite concerning, the active interest from Pakistan Stock Exchange Limited (PSX) and Securities & Exchange Commission of Pakistan (SECP) in addressing the key issues is quite heartening. A number of measures, undertaken to encourage more retail activity, are bearing fruits with visible pick-up in activity in the first few sessions of Apr-16.

### Debt and Currency Market Review

The long end of the curve continued to flatten, with yields for 5-10 yr PIB dropping by over 100 bps since the start of the year. Short term yields nevertheless, hovered firmly at 6.2% due to status-quo in policy rate. Liquidity conditions continued to remain tight, as budget financing from banks increased while credit expansion to private sector also improved. The size of weekly Open Market Operations conducted by State Bank has increased to PKR 1.5 tn compared to PKR 1.2-1.3 tn last quarter. SBP also conducted PKR 1.78 tn worth fortnightly T-bill auctions and two PIB auctions with a combined worth of PKR 266 bn.

## KASB SECURITIES

The currency market continued to be smooth and steady throughout the period, defying volatility in the global and regional FX markets. PKR/USD closed the quarter steady at 104.75, thanks to gradually improving FX reserves, and smooth progress on IMF program.

### Operating and Financial Performance

The unfriendly industry environment has weighted on your Company's performance and masked the impact of management efforts aimed at recovering business. Despite low volumes in the industry, operating revenue surged 30% in first quarter compared to same period last year. In the period of low volume, the management turned its focus on controlling cost to minimize losses. Resultantly, total operating and administration cost declined by 14% year-on-year. Company remained focused on building its market share across its key business functions. In equities brokerage, the Company continued regaining its market volume share after losing the same in first quarter of 2015 due to moratorium imposed on KASB Bank Limited. In commodities brokerage, the Company has continued its upward growth trajectory in 2016, resulting in an increase of 261% compared to the quarter ended March 31, 2015. Overall, Company managed to reduce the overall losses with loss after tax coming at PKR 20.83 mn in first quarter 2016 vs PKR 34.24 mn booked in the same period last year.

Details of financial performance for the first quarter ended March 31, 2016 are as follows:

	QUARTER ENDED MARCH 31,	
	2016 PKR mn	2015 PKR mn
Operating revenue	49.43	37.59
Mark-up / profit on bank deposits, investments & other receivables	10.04	17.12
Gain on sale of investments – net	4.27	23.74
Dividend income	0.95	0.98
Unrealized gain / (loss) on investments - net	0.23	(1.50)
Other income	0.57	1.57
<b>Total Income</b>	<b>65.49</b>	<b>79.50</b>
Operating and administrative expenses	(86.17)	(100.68)
Finance cost	(3.66)	(4.52)
<b>Total expenses</b>	<b>(89.83)</b>	<b>(105.20)</b>
<b>Net loss before impairment and taxation</b>	<b>(24.34)</b>	<b>(25.70)</b>
Impairment on long-term investment - Subsidiary	(0.19)	-
Taxation	3.7	(8.54)
<b>Net loss after tax</b>	<b>(20.83)</b>	<b>(34.24)</b>
<b>Loss per share</b>	<b>(0.21)</b>	<b>(0.34)</b>

### Future Outlook

Your management is undertaking renewed efforts for overall business recovery and to improve market share across key segments of equity trading, money markets, commodities and foreign exchange. The resilience of company's market share in the face of slowdown in overall activity reaffirms robustness of company's business model. The improving economic environment coupled with potential reclassification of Pakistan's equity market status in MSCI EM and new measures undertaken by PSX and SECP should result in sustained increase in trading activity for the remaining part of this year. Your company is geared up to capture the pick-up in trading activity and improve its financial position.

### Acknowledgement

The Directors wish to record their gratitude to the Company's valued clients, shareholders, business partners and other stakeholders for their continued trust that they have reposed in the Company. The Board would also like to record their appreciation to the employees of the Company for their commitment and dedication.

On behalf of the Board of Directors.

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Chairman

**Karachi:** April 25, 2016

## ممبرز کے لئے ڈائریکٹرز کی رپورٹ

کے اے ایس بی سیکیورٹیز لمیٹڈ کے بورڈ آف ڈائریکٹرز کی جانب سے میں کہنی کے سال 2016 کو پہلی سرمایہ کے غیر آڈٹ شدہ اسٹیٹمنٹوں اور مجموعی مالی گوشواروں کو پیش کرنے میں مسرت محسوس کرتا ہوں۔

### معاشی جائزہ

تیل کی قیمتوں میں کمی، کم شرح سود کی فضا، ٹی بی سی کے لئے قرض اور بڑے پیمانے پر مینوفیکچرنگ کی نمو کے پس منظر میں معاشی ترقی کے امکانات موروثی چیلنجز کے باوجود مستحکم نظر آتے ہیں۔ انفرادی شرح بھجلی سرمایہ کی اوسط 2.5 فیصد سے بڑھ کر 4.0 فیصد رہی۔ جس کی وجہ سے بھجلی سرمایہ میں انفرادی شرح کا کم ہونا تھا۔ نجی بینک دولت پاکستان نے محتاط زرعی پالیسی اختیار کی اور حال ہی میں قائم کی گئی زرعی پالیسی کئی نئے شرح سود اس سال اب تک برقرار رکھی ہے۔ مالی سال 2016 کے ابتدائی سات ماہ میں بڑے پیمانے پر مینوفیکچرنگ میں سال بہ سال گزشتہ سال اسی مدت کی تین فیصد کی نمو کے مقابلے میں 4.1 فیصد کا اضافہ ہوا جو کہ مالی سال 2016 کی معاشی نمو کو 4.5 فیصد پر برقرار رکھے گا۔

(IMF) آئی ایم ایف نے (Extended Financing Facility) توسیع شدہ مالی سہولت کا دواں جائزہ مکمل کیا۔ اور چونکہ ڈی ممبر میں ختم ہونے والی سرمایہ کی کارکردگی کے تمام معیار پورے ہوئے تھے پچاس کروڑ امریکی ڈالر کے قرضے کی قسط منظور کی۔ حکومت نے سرمایہ کے اختتام پر واجب الادا پچاس کروڑ امریکی ڈالر یورو یونٹ کی بھی کامیابی کے ساتھ ادائیگی کی۔ بروقت قرض ملنے کی وجہ سے مارچ کے اختتام پر غیر ملکی زر مبادلہ کے ذخائر 20.88 ارب امریکی ڈالر تک جا پہنچے۔

برآمدات میں منفی رجحان کی وجہ سے مالی سال 2016 کے پہلے 9 ماہ کے دوران تجارتی خسارہ 5.5 فیصد تک بھیل کر 16.9 ارب امریکی ڈالر تک پہنچ گیا۔ جب کہ اسی دوران درآمدت کا بل 4 فیصد کم ہو کر 32.5 ارب امریکی ڈالر رہا جس کی وجہ سے کئی مل گزشتہ سال کے مقابلے میں اضافہ ہوا۔ مالی سال 2016 کے پہلے 9 ماہ میں بیرون ملک ترسیلات زر کی شرح نمو بھی کم ہو کر سال بہ سال 4 فیصد پر آگئیں۔ تاہم تیل کی سازگار قیمتوں کی وجہ سے مالی سال 2016 کے ابتدائی آٹھ ماہ کے دوران کرنٹ اکاؤنٹ کا خسارہ 1.86 ارب ڈالر کی قابل انتظام سطح پر رہا۔ نتیجتاً پاکستانی روپے کی امریکی ڈالر کے مقابلے میں زرمبادلہ کی شرح 104.8 پر عالمی معیشت میں طوفان کے باوجود مستحکم رہی۔

مالی حاذقہ پر حکومت کے ٹیکس اکٹھا کرنے میں اس سال قابل قدر بہتری ہوئی اور تیسری سرمایہ کا حدف تقریباً حاصل کر لیا گیا ہے۔ حکومت اپنے اخراجات کو محدود کر کے مالی خسارے کا مجموعی بلکی پیداوار کے 4.3 فیصد کا حدف حاصل کرنے کی کوشش کرے گی۔

### اسٹاک مارکیٹ کا جائزہ

سال 2015 کے مقابلے میں سال 2016 کی پہلی سرمایہ پاکستانی اسٹاک مارکیٹ کے لئے سست ثابت ہوئی اور حصص کاروز کا حجم 2015 کے اوسط حجم کے مقابلے میں 44 فیصد کم ہو کر تیرہ کروڑ ساٹھ لاکھ رہا۔ حصص کی تجارتی قدر بھی 36 فیصد سے سیکڑ کر گیارہ کروڑ گیارہ لاکھ امریکی ڈالر ہو رہی۔ عالمی



ترقی پر توثیق جس کی بنیادی وجہ چین میں سست روی، غیر ملکی ادارتی سرمایہ کاری (Foreign Institutional Portfolio Investment) میں مسلسل اخراج اور قوانین میں ناسازگار تبدیلی نے سرمایہ کاروں کو کاروباری سرگرمی محدود کرنے پر مجبور کیا اور مارکیٹ کو نیچے کھینچا۔ مجموعی طور پر PSX-100 اشاریہ دسمبر 2015 کے مقابلے میں محض ایک فیصد بڑھ کر 33.139 کی سطح پر بند ہوا۔ پچھلے سال کی چوتھی سہ ماہی کے دوران FIPI میں دس کروڑ ساٹھ لاکھ امریکی ڈالر کی کمی ہوئی تھی جب کہ اس سہ ماہی میں FIPI میں دس کروڑ امریکی ڈالر کی کمی واقع ہو۔ حوصلہ افزاء بات یہ ہے کہ پاکستان کا معاشی ماحول اجناس کی قیمتوں میں کمی اور IMF کی اہم اصلاحات کے تناظر میں ترقی کی جانب گامزن رہا۔ چین پاکستان معاشی راہ داری (CPEC) میں متوقع سرمایہ کاری اور معاشی سرگرمیاں بالآخر ترقی کی نشان دہی کر رہی ہیں۔

پہلی سہ ماہی کی ایک اہم پیش رفت جس کی ضرورت بھی تھی وہ مقامی اور بین الاقوامی شریک کاروں کے ملاپ کی راہنمائی میں صارفین، مالیاتی اور توانائی کے شعبوں میں انضمام اور حصول (Merger & Acquisition) ہے۔ غیر ملکی شریک کاروں کی کلیدی شعبوں میں آمد پاکستان کے سرمایہ کاری کے خاکے کو بہتر بنانے اور معاشی سرگرمیوں کو بڑھانے میں دور رس اثرات پیدا کرے گی۔ بین الاقوامی اشاریہ کے پیمانے کا فراہم کنندہ MSCI Inc. کے اس اعلان کے ساتھ کہ اس نے پاکستان کو سرحدی مارکیٹ (Frontier Market) سے ابھرتی ہوئی (Emerging Market) میں دوبارہ درج بندی کے لئے مشاورت کا سلسلہ دوبارہ شروع کر دیا ہے پاکستانی مارکیٹ ایک اہم دور میں داخل ہو گئی ہے۔ IMSCI اپنی مشاورت کے نتیجے کا اعلان اس سال جون کے مہینے تک کر دے گا۔ درج بندی میں ممکنہ تبدیلی ایک مثبت اور سچی 2017 میں اس کا جائزہ لیا جائے گا۔ درج بندی میں ممکنہ تبدیلی پاکستان میں سرمایہ کاری کے معاملے کو مزید مضبوط کرے گی اور ملک کے لئے ایک بڑی سرمایہ کاری کی بنیاد تک رسائی ممکن بنائے گی۔ گرچہ تجارتی سرگرمیوں میں کمی توثیق کا باعث ہے تاہم پاکستان اسٹاک ایکسچینج اور سکیورٹیز ریگولیشنز اتھارٹی آف پاکستان کا ان معاملات کو درست کرنے میں دلچسپی نہایت خوش آئند ہے۔ اپریل 2016 کے ابتدائی چند دنوں میں سرگرمی میں اضافہ اس ضمن میں کئے گئے اقدامات کے ثمرات ظاہر کرتے ہیں۔

### قرض اور کرنسی کی مارکیٹ کا جائزہ

طویل مدتی قرض کی شرح مسلسل نیچے آئی ہے اور پانچ اور دس سال کے Pakistan Investment Bonds منافع کی شرح 100 bps (1 فیصد) نیچے آئی ہے تاہم قلیل مدتی قرض کی شرح پالیسی شرح میں تبدیلی نہ ہونے کی وجہ سے بدستور 6.2 فیصد پر برقرار ہے۔ بجٹ کے لئے بینکوں سے قرض کے حصول میں اضافہ اور نئی شعبے کو قرض میں اضافے کی وجہ سے رقم کی دستیابی دشوار رہی۔ بینک دولت پاکستان کا Open Market Operations پچھلی سہ ماہی میں 1.2-1.3 کھرب روپے سے بڑھ کر 1.5 کھرب روپے تک پہنچ گیا۔ بینک دولت پاکستان نے T-Bill کے ایک کھرب 78 ارب روپے کی نیم ماہانہ (Fortnightly) نیلامی کا بھی انعقاد کیا اور PIB کی 266 ارب روپے کی دو نیلامی بھی منعقد کیں۔ عالمی اور علاقائی غیر ملکی کرنسی مارکیٹ میں اتار چڑھاؤ کے باوجود کرنسی مارکیٹ محکم اور ہموار رہی۔ غیر ملکی کرنسی کے ذخائر میں بتدریج اضافے اور IMF کے پروگرام میں معمول کی پیش رفت کی وجہ سے پاکستانی روپے امریکی ڈالر کی زرمبادلہ کی شرح 104.75 کی سطح پر برقرار رہی۔

### کاروباری اور مالی کارکردگی

غیر دوستانہ تجارتی ماحول نے اپنا اثر آپ کی کمپنی کی کارکردگی پر بھی دکھایا ہے اور انتظامیہ کی جانب سے کی گئی کوششوں پر پردہ ڈال دیا ہے۔ اسٹاک مارکیٹ میں کاروباری سرگرمیوں میں کمی کے باوجود آمدنی میں اس سہ ماہی کے دوران پچھلے سال کی اسی سہ ماہی کے مقابلے میں 30 فیصد اضافہ ہوا ہے۔ انتظامیہ



نے اپنی توجہ خرچوں کو کم کرنے پر مرکوز رکھی تاکہ نقصان کم سے کم ہو۔ نتیجتاً مجموعی کاروباری اور انتظامی خرچہ سال بہ سال 14 فیصد کم ہوا۔ کمپنی نے اپنا دھیان اپنے اہم کاروباری امور میں مارکیٹ میں اپنے حصے کو بہتر بنانے پر مرکوز رکھا۔ حصص کی دلالی میں کمپنی نے اپنا وہ حصہ دوبارہ حاصل کیا جو 2015 کو پہلی سرمایہ میں KASB Bank پر کاروباری معطلی کی وجہ سے کھو دیا تھا۔ اجناس کی دلالی میں کمپنی نے 2016 میں اپنا ترقی کا سفر جاری رکھا اور 2015 کی پہلی سرمایہ کے مقابلے میں 261 فیصد اضافہ ہوا۔ بحیثیت مجموعی کمپنی نے اپنا نقصان 2015 کی پہلی سرمایہ کے 34.24 ملین روپے کے مقابلے میں 2016 کی پہلی سرمایہ میں 20.83 ملین روپے تک محدود رکھا۔

مارچ 31، 2016 کو ختم ہونے والی پہلی سرمایہ کے لئے مالیاتی کارکردگی کی تفصیل درج ذیل ہے۔

مارچ 31 کو ختم ہونے والی سرمایہ		
2015 PKR mn	2016 PKR mn	
37.59	49.43	کاروباری آمدنی
17.12	10.04	بینک ڈپازٹ، سرمایہ کاری اور دیگر وصولیوں پر منافع
23.74	4.27	سرمایہ کاری کی فروخت پر منافع - خالص
0.98	0.95	ڈیویڈنڈ آمدنی
(1.50)	0.23	سرمایہ کاری پر غیر حاصل شدہ منافع/نقصان خالص دیگر آمدنی
1.57	0.57	دیگر آمدنی
79.50	65.49	مجموعی آمدنی
(100.68)	(86.17)	کاروباری اور انتظامی اخراجات
(4.52)	(3.66)	مالی خرچہ
(105.20)	(89.83)	مجموعی خرچہ
(25.70)	(24.34)	خالص نقصان (impairment & taxation سے پہلے)
—	(0.19)	طویل مدتی سرمایہ کاری میں نقصان - ذیلی ادارہ
(8.54)	3.7	ٹیکسیشن
(34.24)	(20.83)	ٹیکس کے بعد خالص نقصان
(0.34)	(0.21)	فی حصص نقصان

## مستقبل پر نظر

آپ کی انتظامیہ کاروبار کی عمومی بحالی اور حصص مارکیٹ، روپے کی مارکیٹ، اجناس اور غیر ملکی زرمبادلہ کے اہم طبقوں میں اپنا حصہ بڑھانے کے لئے بھرپور کوشش کر رہی ہے۔ مجموعی کاروباری سست روی کے باوجود کمپنی کا مارکیٹ میں حصہ برقرار رکھنا کمپنی کی کامیاب منصوبہ بندی کی نشاندہی کرتا ہے۔ معاشی ماحول میں بہتری MSCI کی ممکنہ درجہ بندی اور PSX اور SECP کے نئے اقدامات کو سال کے بقیہ مہینوں میں کاروباری سرگرمیوں میں اضافہ کرنا چاہئے۔ آپ کی کمپنی کاروباری سرگرمیوں میں اضافے کا فائدہ اٹھانے اور اپنی مالی حالت بہتر بنانے کے لئے تیار ہے۔

## اعتراف

ڈائریکٹرز کمپنی کے معزز کلائنٹس، حصص یافتگان، کاروباری شراکت دار اور دیگر حصہ داروں کا کمپنی پر مسلسل بھروسے پر شکر یہ ادا کرتے ہیں۔ بورڈ کمپنی کے ملازمین کی دانشمندی اور لگن کی بھی تعریف کرتی ہے۔

بورڈ آف ڈائریکٹرز کی جانب سے

دستخط شدہ

چیئرمین

کراچی 25 اپریل 2016



**STANDALONE CONDENSED INTERIM  
FINANCIAL INFORMATION**

## CONDENSED INTERIM BALANCE SHEET AS AT MARCH 31, 2016

	Note	(Un-audited) March 31, 2016	(Audited) December 31, 2015
----- (Rupees in '000) -----			
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment	4	34,017	37,217
Intangible assets		5,132	4,077
Investment properties		5,574	5,646
Long-term investments	5	583,914	584,107
Long-term loans and advances		419	448
Long-term deposits and prepayments		12,873	12,668
Deferred tax asset - net		57,751	51,131
		<b>699,680</b>	695,294
<b>Current assets</b>			
Short-term investments	6	41,326	28,531
Trade debts	7	89,836	121,800
Advances, deposits, prepayments and other receivables	8	221,294	199,331
Taxation - net		39,911	36,573
Cash and bank balances	9	606,068	547,174
		<b>998,435</b>	933,409
<b>TOTAL ASSETS</b>		<b>1,698,115</b>	1,628,703
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Issued, subscribed and paid-up capital		1,000,000	1,000,000
General reserve		18,752	18,752
Unrealised gain on re-measurement of 'available- -for-sale' investments to fair value - net		394,241	394,241
Accumulated loss		(496,824)	(475,990)
		<b>916,169</b>	937,003
<b>Non-current liabilities</b>			
Long-term loan	10	150,000	150,000
<b>Current liabilities</b>			
Trade and other payables	11	631,907	541,663
Accrued mark-up		39	37
		<b>631,946</b>	541,700
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,698,115</b>	1,628,703
<b>CONTINGENCY AND COMMITMENTS</b>			
	12		

The annexed notes 1 to 18 form an integral part of these Condensed Interim Financial Information.

----- Sd -----  
Chairman

----- Sd -----  
Chief Executive Officer

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)  
FOR THE QUARTER ENDED MARCH 31, 2016**

	Note	Quarter ended March 31,	
		2016	2015
		..... (Rupees in '000) .....	
Operating revenue	13	49,431	37,591
<b>Net gain / (loss) on investments 'at fair value through profit and loss'</b>			
Gain on sale of investments - net		4,268	23,735
Unrealised gain / (loss) on re-measurement of investments 'at fair value through profit or loss' - net		230	(1,497)
		4,498	22,238
Dividend income		945	978
Mark-up / profit on bank deposits, investments and other receivables	14	10,041	17,118
		64,915	77,925
Operating and administrative expenses	15	(86,163)	(100,675)
Impairment on long-term investment - Subsidiary	5.1	(193)	-
Reversal of provision against doubtful debts	7.2	2	-
		(86,354)	(100,675)
<b>Operating loss</b>		(21,439)	(22,750)
Finance cost		(3,662)	(4,521)
		(25,101)	(27,271)
Other income		566	1,577
<b>Loss before taxation</b>		(24,535)	(25,694)
<b>Taxation</b>			
Current - for the period		(2,919)	(9,493)
Deferred		6,620	952
		3,701	(8,541)
<b>Loss after taxation</b>		(20,834)	(34,235)
<b>Other comprehensive income / (loss):</b>			
Items to be reclassified to profit and loss in subsequent periods:			
Unrealised loss arising during the period on re-measurement of 'available-for-sale' investments - net		-	(7,437)
<b>Total comprehensive loss for the period</b>		<b>(20,834)</b>	<b>(41,672)</b>
		.....(Rupees).....	
Loss per share - basic and diluted		<b>(0.21)</b>	(0.34)

The annexed notes 1 to 18 form an integral part of these Condensed Interim Financial Information.

----- Sd -----  
Chairman

----- Sd -----  
Chief Executive Officer

## CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED MARCH 31, 2016

	Quarter ended March 31,	
	2016	2015
	..... (Rupees in '000).....	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(24,535)	(25,694)
<b>Non - cash adjustments to reconcile loss before tax to net cash flows:</b>		
Depreciation	3,804	4,063
Amortisation	145	-
Gain on sale of investments - net	(4,268)	(23,735)
Gain on sale of property and equipment	(9)	(3)
Unrealised (gain) / loss on re-measurement of investments 'at fair value through profit or loss' - net	(230)	1,497
Impairment on long-term investment - Subsidiary	193	-
Reversal of provision against doubtful debts	(2)	-
Finance cost	3,662	4,521
Dividend income	(945)	(978)
	2,350	(14,635)
	(22,185)	(40,329)
<b>Working capital adjustments:</b>		
<b>Decrease / (increase) in current assets</b>		
Trade debts	31,966	515
Advances, deposits, prepayments and other receivables	(21,360)	(9,566)
	10,606	(9,051)
<b>Increase in current liabilities</b>		
Trade and other payables	90,245	520
	78,666	(48,860)
Finance cost paid	(3,660)	(34)
Income tax paid	(6,257)	(5,244)
<b>Net cash flows generated from / (used in) operating activities</b>	68,749	(54,138)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Investments 'at fair value through profit or loss' - net	(8,297)	23,735
Purchase of property and equipment	(1,754)	(335)
Proceeds from disposal of property and equipment	31	514
Dividend received	342	897
<b>Net cash flows (used in) / generated from investing activities</b>	(9,678)	24,811
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Long-term loans and advances	29	294
Long-term deposits and prepayments	(205)	460
Dividend paid	(1)	(3)
<b>Net cash flows (used in) / generated from financing activities</b>	(177)	751
<b>Net increase / (decrease) in cash and cash equivalents</b>	58,894	(28,576)
Cash and cash equivalents at the beginning of the period	547,174	652,580
Cash and cash equivalents at the end of the period	606,068	624,004

The annexed notes 1 to 18 form an integral part of these Condensed Interim Financial Information.

----- Sd -----  
Chairman

----- Sd -----  
Chief Executive Officer

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)  
FOR THE QUARTER ENDED MARCH 31, 2016**

	Share capital	General reserve	Unappropriated (loss) / profit	Unrealised gain / (loss) on remeasurement of 'available-for-sale' investments to fair value - net	Total
..... (Rupees in '000) .....					
<b>Balance as at January 01, 2015</b>	1,000,000	18,752	104,791	133,413	1,256,956
Total comprehensive loss for the period	-	-	(34,235)	(7,437)	(41,672)
<b>Balance as at March 31, 2015</b>	1,000,000	18,752	70,556	125,976	1,215,284
Total comprehensive loss for the period	-	-	(546,546)	268,265	(278,281)
<b>Balance as at December 31, 2015</b>	1,000,000	18,752	(475,990)	394,241	937,003
Total comprehensive loss for the period	-	-	(20,834)	-	(20,834)
<b>Balance as at March 31, 2016</b>	<b>1,000,000</b>	<b>18,752</b>	<b>(496,824)</b>	<b>394,241</b>	<b>916,169</b>

The annexed notes 1 to 18 form an integral part of these Condensed Interim Financial Information.

----- Sd -----  
Chairman

----- Sd -----  
Chief Executive Officer



## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED MARCH 31, 2016

### 1. STATUS AND NATURE OF BUSINESS

- 1.1 KASB Securities Limited (the Company) was incorporated in Pakistan on October 24, 2000 under the Companies Ordinance, 1984 and commenced its operations effective January 1, 2003, on the transfer of assets and liabilities of the securities segment of the then Khadim Ali Shah Bukhari and Company Limited under a Scheme of Arrangement approved by the High Court of Sindh. The shares of the Company are listed on the Pakistan Stock Exchange Limited (PSX). The registered office of the Company is situated at 5th Floor, Trade Centre, I.I. Chundrigar Road, Karachi.
- 1.2 The Company is a subsidiary of BankIslami Pakistan Limited (BIPL) - (the Parent Company), which holds 77.12% shares of the Company.
- 1.3 The Company is a TREC holder of the Pakistan Stock Exchange Limited (PSX) and Pakistan Mercantile Exchange Limited (PMEL) and is principally engaged in the business of stocks, money market, foreign exchange and commodity broking. Other activities include investment in a mix of listed and unlisted equity and debt securities, economic research and advisory services.
- 1.4 These are separate condensed Interim Financial Information of the Company in which investment in subsidiary is reported on the basis of direct equity interest and is not consolidated.

### 2. STATEMENT OF COMPLIANCE

- 2.1 These condensed Interim Financial Information of the Company for the period ended March 31, 2016 have been prepared in accordance with the requirements of the International Accounting Standard 34 - "Interim Financial Reporting" and provisions of the Companies Ordinance, 1984 and directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements differ, the provisions of the Companies Ordinance, 1984 and the said directives have been followed.
- 2.2 These condensed Interim Financial Information do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's Annual Financial Statements for the year ended December 31, 2015.
- 2.3 These condensed Interim Financial Information are un-audited.

### 3. ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these condensed Interim Financial Information are consistent with those of the previous financial year except as follows:

#### **New, amended and revised standards and interpretations of International Financial Reporting Standards (IFRSs).**

The Company has adopted the following revised standard, amendments and interpretation of IFRSs which became effective for the current period :

- IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations - Amendments resulting from September 2014 Annual improvements to IFRs
- IFRS 7 – Financial Instruments: Disclosures - (Amendments)
- IFRS 10 – Consolidated Financial Statements (application of the consolidation exception)
- IFRS 11 – Joint Arrangements - (Amendments)
- IFRS 12 – Disclosure of Interests in Other Entities
- IAS 1 – Presentation of Financial Statements - (Amendments)
- IAS 7 – Statement of Cash Flows - (Amendments)
- IAS 16 – Property, Plant and Equipment - (Amendments)
- IAS 19 – Employee Benefits - (Amendments)
- IAS 27 – Separate Financial Statements Amendments reinstating the equity method as an accounting
- IAS 28 – Investments in Associates and Joint Ventures - (Amendments)
- IAS 34 – Interim Financial Reporting - (Amendments)
- IAS 38 – Intangible Assets - (Amendments)

The adoption of the above amendments to accounting standards and interpretations did not have any effect on the condensed Interim Financial Information.

#### 4. PROPERTY AND EQUIPMENT

The details of additions and disposals during the period are as follows:

	Quarter ended (Un-audited)		Year ended (Audited)	
	March 31, 2016	December 31, 2015	March 31, 2016	December 31, 2015
	Additions Cost	Disposals Cost	Additions Cost	Disposals Cost
	(Rupees in '000)			
Computers and office equipment	554	(1,936)	2,272	(2,157)
Furniture and fixtures	-	-	-	(313)
	<u>554</u>	<u>(1,936)</u>	<u>2,272</u>	<u>(2,470)</u>
			(Un-audited) March 31, 2016	(Audited) December 31, 2015
		Note	(Rupees in '000)	
<b>5. LONG-TERM INVESTMENTS</b>				
Subsidiary company		5.1	1,881	2,074
'Available-for-sale' investments		5.2	582,033	582,033
			<u>583,914</u>	<u>584,107</u>
<b>5.1 Subsidiary Company</b>				
Cost			488,581	488,581
Less: Provision for impairment			(486,700)	(486,507)
			<u>1,881</u>	<u>2,074</u>

The net assets of the subsidiary company have reduced due to full impairment of investment of Rs. 81.567 million in an associated company and provision against advance for purchase of land of Rs. 375 million.

Structured Venture (Private) Limited (SVPL) had given advance against purchase of property Rs. 375 million which was being developed as a Housing Scheme (the 'Project') by M/s. Noor Developer (Pvt.) Limited (the 'Developer'), the majority shareholder of which is Mr. Arif Ali Shah Bukhari. This amount includes development charges of Rs. 75 million paid to the Developer. The Developer had communicated in the previous years that the Project was pending final approval from the Cantonment Board Korangi Creek (CBKC) for last few years due to modification and revision required by the CBKC in the Project.

During the year 2015, the Developer canceled provisional booking vide its letter dated June 15, 2015 and in response, SVPL has filed legal suit for specific performance, declaration, injunction, partition and damages in the Sindh High Court.

In addition to the above, as per CBKC letter to Military Lands & Cantonments dated July 04, 2011, the land on which provisional booking was made is not eligible for the type of allotment made to SVPL as per sale agreement dated November 10, 2010 between SVPL and the Developer. Further, the development work on the Project, as communicated by the Developer vide their letter dated December 28, 2013, has also not been undertaken.

Moreover, verification from the Registrar of Housing Society has revealed that no record exists for the said Project, namely Noor Town, situated at survey number 288, 289 and 290 at Deh Korangi Township Karachi. Prima facie a fraud was committed with SVPL, for which pending completion of investigation, criminal action may be initiated apart from civil proceedings which have already been initiated by SVPL. The Board of SVPL, in its meeting held on March 25, 2016 decided to file a criminal complaint against Noor Developers (Private) Limited to the concerned department.

Considering the facts stated above, the history of this transaction and legal implications, SVPL as a matter of prudence, has decided to fully provide this amount. Hence, the Company's investment in SVPL stands impaired.

	Note	(Un-audited) March 31, 2016	(Audited) December 31, 2015
<b>5.2 'Available-for-sale' investments</b>			
<b>Name of the Investee Company</b>			
<b>Unquoted shares</b>			
Pakistan Stock Exchange Limited	5.2.1	3,595	3,595
Al Jomaih Power Limited	5.2.2	578,438	578,438
New Horizon Exploration and Production Limited - (Related Party)			
-Class 'A' ordinary shares	5.2.3	-	-
		<u>582,033</u>	<u>582,033</u>

**5.2.1** The Company's entitlement in respect of PSX's shares is determined on the basis of valuation of assets and liabilities of PSX as approved by the SECP. The Company has been allotted 4,007,383 shares of the face value of Rs 10/- each, out of which 2,404,430 shares are kept in the blocked account and the divestment of the same will be made in accordance with the requirements of the Stock Exchanges (Corporatization, Demutualization and Integration) Act, 2012 [the Act] within two years from the date of promulgation of the Act.

**5.2.2** The Company's investment in unquoted shares of Al Jomaih Power Limited is valued at its fair value as at period end base on the net assets value of the investee Company as at December 31, 2015.

**5.2.3** During the previous period, the management carried out impairment testing of its investment in New Horizon Exploration and Production Limited (NHEPL), as required by IAS 36 - "Impairment of Assets". The recoverable amount of investment has been estimated using "Value in use" approach. In considering the impairment, various business assumptions for estimating cash flows have been used, which includes but are not limited to, historical performance of the investment, development and production activity in NHEPL's working interests, recoverability of future cash flows from the investment, etc. Based on such analysis, the Company has fully impaired its investment in NHEPL amounting to Rs. 31.63 million.

## 6. SHORT-TERM INVESTMENTS

### 'At fair value through profit or loss' (held for trading)

- Listed shares	6.1	41,326	28,531
- Term finance certificate	6.2	-	-
		<u>41,326</u>	<u>28,531</u>

### 6.1 Listed shares

Amreli Steels Ltd.		104	601
Cherat Cement Company Ltd.		1,888	1,804
D.G. Khan Cement Company Ltd.		5,597	1,063
Engro Fertilizers Ltd.		2,557	908
Engro Corporation Ltd.		4,073	2,207
Indus Motor Company Ltd.		947	1,012
Kohat Cement Company Ltd.		-	1,228
K-Electric Ltd.		-	4
Lucky Cement Ltd.		3,175	2,426
Mari Petroleum Company Ltd.		4,355	7,111
Mughal Iron and Steel Industries Ltd.		4,106	697
National Refinery Ltd.		1,353	892
Pak Elektron Ltd.		998	1,345
Pakistan Oilfields Ltd.		4,876	5,065
Pakistan Petroleum Ltd.		1,512	2,168
Pioneer Cement Ltd.		1,484	-
Sitara Chemical Industries Ltd.		181	-
Sui Southern Gas Company Ltd.		551	-
Cherat Packaging Ltd.		1,646	-
Bank Al-Falah Ltd.		747	-
Crescent Steel and Allied Products Ltd.		1,176	-
	6.1.1	<u>41,326</u>	<u>28,531</u>

6.1.1 This includes shares with carrying value of Rs. 38.53 million (December 31, 2015: Rs. 26 million) which have been pledged with PSX against exposure margin.

	Note	(Un-audited) March 31, 2016	(Audited) December 31, 2015
..... (Rupees in '000) .....			

## 6.2 Term finance certificates

- PACE Pakistan Limited (Face value of Rs. 5,000/- each) 6.2.1

6.2.1 The TFCs are secured and carry mark-up at the rate of 6 months KIBOR +2% and will mature in February 15, 2017. These TFCs are currently rated as 'non-performing' by the Mutual Funds Association of Pakistan. The Company on the basis of prudence, has fully impaired the investment of Rs. 45.37 million as at December 31, 2015.

## 7. TRADE DEBTS

Receivable against purchase of marketable securities			
- net of provisions	7.1	85,107	116,257
Inter-bank brokerage		4,357	4,938
Fees		372	605
		<u>89,836</u>	<u>121,800</u>
<b>7.1 Considered good</b>			
Secured		58,340	93,403
Unsecured		4,176	2,404
		62,516	95,807
<b>Considered doubtful</b>		140,630	138,491
Provision for doubtful debts	7.2	(118,039)	(118,041)
		<u>85,107</u>	<u>116,257</u>
<b>7.2 Reconciliation of provisions against trade debts</b>			
Opening balance		118,041	119,118
Reversal of provision during the period / year		(2)	(1,077)
		<u>118,039</u>	<u>118,041</u>

7.2.1 Provision against doubtful debts has been made after considering the market value of listed shares amounting to Rs. 22.59 million (December 31, 2015: Rs. 20.45 million) held in custody by the Company against the respective customers accounts.

## 8. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

### Advances to:

- Suppliers	2,386	3,143
- Current portion of long-term loans and advances to employees and executives	923	1,355
	<u>3,309</u>	<u>4,498</u>

### Deposits:

- Exposure deposit with - PSX	163,175	121,555
- Exposure deposit with - NCCPL	952	796
- Exposure deposit with - PMEL	1,424	832
	<u>165,551</u>	<u>123,183</u>

### Prepayments:

- Rent	4,456	2,929
- Insurance	1,621	984
- Software development and maintenance	505	639
- Others	1,612	1,719
	<u>8,194</u>	<u>6,271</u>

### Other receivables:

- Dividends	603	-
- Profit on bank deposits	2,512	3,805
- Profit on exposure deposit with - PSX	667	483
- Receivable against margin finance	40,446	60,882
- Others	12	209
	<u>44,240</u>	<u>65,379</u>
	<u>221,294</u>	<u>199,331</u>



## 16. RELATED PARTY TRANSACTIONS

The related parties of the Company comprise of BankIslami Pakistan Limited (the Parent Company), associated undertakings (including companies under common directorship), employee benefit plans and its key management personnel. The balances with related parties as at March 31, 2016 and December 31, 2015 and transactions with related parties during the period ended March 31, 2016 and March 31, 2015 are as follows:

As at March 31, 2016 (Un-audited)					
	Parent Company	Subsidiary/ associated	Key management personnel	Others	Total
(Rupees in '000)					
<b>BALANCES</b>					
Long-term deposits	-	142	-	-	142
Trade debts	54	13	294	-	361
Profit receivable on bank deposit	1,646	-	-	-	1,646
Bank balances	357,224	-	-	-	357,224
Trade payables	-	-	2,968	-	2,968
Long-term loan	150,000	-	-	-	150,000
Payable against expenses	2,763	8	300	-	3,071
Prepaid rent	320	-	-	-	320
Accrued mark-up	39	-	-	-	39

As at December 31, 2015 (Audited)					
	Parent Company	Subsidiary/ associated	Key management personnel	Others	Total
(Rupees in '000)					
<b>BALANCES</b>					
Long-term deposits	-	142	-	-	142
Trade debts	16	10	18	9	53
Profit receivable on bank deposit	2,124	-	-	-	2,124
Bank balances	392,494	-	-	-	392,494
Trade payables	-	-	2,169	4	2,173
Long-term loan	150,000	-	-	-	150,000
Payable against expenses	2,763	9	-	-	2,772
Prepaid rent	80	-	-	-	80
Accrued mark-up	37	-	-	-	37

..... Quarter ended March 31, 2016 (Un-audited) .....

	Parent Company	Subsidiary/ associated	Key management personnel	Others	Total
..... (Rupees in '000) .....					
<b>TRANSACTIONS</b>					
<b>Income</b>					
Brokerage income earned	69	-	91	-	160
Custody services	2	2	16	-	20
Profit on bank deposits	5,674	-	-	-	5,674
<b>Expenses</b>					
Bank charges	57	-	-	-	57
Charge in respect of contributory plan	-	-	-	1,500	1,500
Mark-up expense	3,551	-	-	-	3,551
Reimbursement of expenses	-	1	-	-	1
Remuneration to management personnel	-	-	23,199	-	23,199
Rent expense	240	-	-	-	240
<b>Other transactions</b>					
Loans repayment	-	-	419	-	419

..... Quarter ended March 31, 2015 (Un-audited) .....

	Parent Company	Subsidiary/ associated	Key management personnel	Others	Total
..... (Rupees in '000) .....					
<b>TRANSACTIONS</b>					
<b>Income</b>					
Brokerage income earned	-	-	47	12	59
Custody services	1	31	13	-	45
Profit on bank deposits	6,177	-	-	-	6,177
Rent income	1,292	-	-	-	1,292
<b>Expenses</b>					
Charge in respect of contributory plan	-	-	-	1,555	1,555
Communication expenses	272	2,180	-	-	2,452
Mark-up expense	4,486	-	-	-	4,486
Reimbursement of expenses	98	454	228	3	783
Remuneration to management personnel	-	-	25,953*	-	25,953
Rent expense	228	-	-	-	228
<b>Other transactions</b>					
Loans repayment	-	-	829	-	829

\*This includes remuneration paid to Chief Executive Officer resigned during the period.



**17. DATE OF AUTHORISATION**

These condensed Interim Financial Information have been authorised for issue by the Board of Directors of the Company on April 25, 2016.

**18. GENERAL**

**18.1** Corresponding figures have been re-arranged and reclassified, wherever necessary, to facilitate comparison. However, there are no material reclassifications to report.

**18.2** Figures have been rounded off to the nearest thousand of rupees.



----- Sd -----  
Chairman

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Chief Executive Officer

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**CONSOLIDATED CONDENSED INTERIM  
FINANCIAL INFORMATION**

## CONSOLIDATED CONDENSED INTERIM BALANCE SHEET AS AT MARCH 31, 2016

Note	(Un-audited) March 31, 2016	(Audited) December 31, 2015
----- (Rupees in '000) -----		
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property and equipment	34,017	37,217
Intangible assets	5,132	4,077
Investment properties	5,574	5,646
Long-term investments	582,033	582,033
Long-term loans and advances	419	448
Long-term deposits and prepayments	12,873	12,668
Deferred tax asset - net	57,751	51,131
	<b>697,799</b>	<b>693,220</b>
<b>Current assets</b>		
Short-term investments	41,326	28,531
Trade debts	89,836	121,800
Advances, deposits, prepayments and other receivables	221,299	199,336
Taxation - net	40,115	36,776
Cash and bank balances	607,896	549,181
	<b>1,000,472</b>	<b>935,624</b>
<b>TOTAL ASSETS</b>	<b>1,698,271</b>	<b>1,628,844</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Share capital and reserves</b>		
Issued, subscribed and paid-up capital	1,000,000	1,000,000
General reserve	18,752	18,752
Unrealised gain on remeasurement of 'available- -for-sale' investments to fair value - net	394,241	394,241
Accumulated loss	(496,824)	(475,990)
	<b>916,169</b>	<b>937,003</b>
<b>Non-current liabilities</b>		
Long-term loan	150,000	150,000
<b>Current liabilities</b>		
Trade and other payables	632,063	541,804
Accrued mark-up	39	37
	<b>632,102</b>	<b>541,841</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,698,271</b>	<b>1,628,844</b>
<b>CONTINGENCY AND COMMITMENTS</b>		

The annexed notes 1 to 7 form an integral part of these Consolidated Condensed Interim Financial Information.

----- Sd -----  
Chairman

----- Sd -----  
Chief Executive Officer

**CONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS  
ACCOUNT (UN-AUDITED)  
FOR THE QUARTER ENDED MARCH 31, 2016**

	<u>Quarter ended March 31,</u>	
	<u>2016</u>	<u>2015</u>
	----- (Rupees in '000) -----	
Operating revenue	49,431	37,591
<b>Net gain / (loss) on investments 'at fair value through profit and loss'</b>		
Gain on sale of investments - net	4,268	23,735
Unrealised gain / (loss) on re-measurement of investments 'at fair value through profit or loss' - net	230	(1,497)
	4,498	22,238
Dividend income	945	978
Mark-up / profit on bank deposits, investments and other receivables	10,055	17,174
	64,929	77,981
Operating and administrative expenses	(86,370)	(101,236)
Reversal of provision against doubtful debts	2	-
	(86,368)	(101,236)
<b>Operating loss</b>	(21,439)	(23,255)
Finance cost	(3,662)	(4,521)
	(25,101)	(27,776)
Other income	566	1,577
<b>Loss before taxation</b>	(24,535)	(26,199)
<b>Taxation</b>		
Current - for the period	(2,919)	(9,493)
Deferred	6,620	952
	3,701	(8,541)
<b>Loss after taxation</b>	(20,834)	(34,740)
<b>Other comprehensive income / (loss):</b>		
Items to be reclassified to profit and loss in subsequent periods:		
Unrealised loss arising during the period on re-measurement of 'available-for-sale' investments - net	-	(7,437)
<b>Total comprehensive loss for the period</b>	(20,834)	(42,177)
	----- (Rupees) -----	
Loss per share - basic and diluted	(0.21)	(0.35)

The annexed notes 1 to 7 form an integral part of these Consolidated Condensed Interim Financial Information.

----- Sd -----  
Chairman

----- Sd -----  
Chief Executive Officer

## CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

FOR THE QUARTER ENDED MARCH 31, 2016

	Quarter ended March 31,	
	2016	2015
	----- (Rupees in '000) -----	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(24,535)	(26,199)
<b>Non - cash adjustments to reconcile loss before tax to net cash flows:</b>		
Depreciation	3,804	4,063
Amortisation	145	-
Gain on sale of investments - net	(4,268)	(23,735)
Gain on sale of property and equipment	(9)	(3)
Unrealised (gain) / loss on re-measurement of investments 'at fair value through profit or loss' - net	(230)	1,497
Reversal of provision against doubtful debts	(2)	-
Finance cost	3,662	4,521
Dividend income	(945)	(978)
	<u>2,157</u>	<u>(14,635)</u>
	<u>(22,378)</u>	<u>(40,834)</u>
<b>Working capital adjustments:</b>		
<b>Decrease / (increase) in current assets</b>		
Trade debts	31,966	515
Advances, deposits, prepayments and other receivables	(21,360)	(9,566)
	<u>10,606</u>	<u>(9,051)</u>
<b>Increase in current liabilities</b>		
Trade and other payables	90,260	826
	<u>78,488</u>	<u>(49,059)</u>
Finance cost paid	(3,660)	(34)
Income tax paid	(6,258)	(5,250)
	<u>68,570</u>	<u>(54,343)</u>
<b>Net cash flows generated from / (used in) operating activities</b>		
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Investments 'at fair value through profit or loss' - net	(8,297)	23,735
Purchase of property and equipment	(1,754)	(335)
Proceeds from disposal of property and equipment	31	514
Dividend received	342	897
	<u>(9,678)</u>	<u>24,811</u>
<b>Net cash flows (used in) / generated from investing activities</b>		
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Long-term loans and advances	29	294
Long-term deposits and prepayments	(205)	460
Dividend paid	(1)	(3)
	<u>(177)</u>	<u>751</u>
<b>Net cash flows (used in) / generated from financing activities</b>		
<b>Net increase / (decrease) in cash and cash equivalents</b>	<u>58,715</u>	<u>(28,781)</u>
Cash and cash equivalents at the beginning of the period	<u>549,181</u>	<u>656,000</u>
Cash and cash equivalents at the end of the period	<u>607,896</u>	<u>627,219</u>

The annexed notes 1 to 7 form an integral part of these Consolidated Condensed Interim Financial Information.

----- Sd -----  
Chairman

----- Sd -----  
Chief Executive Officer

**CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**  
FOR THE QUARTER ENDED MARCH 31, 2016

	Share capital	General reserve	Unappropriated (loss) / profit	Unrealised gain / (loss) on remeasurement of 'available-for-sale' investments to fair value - net	Total
..... (Rupees in '000) .....					
<b>Balance as at January 01, 2015</b>	1,000,000	18,752	36,929	133,413	1,189,094
Total comprehensive loss for the period	-	-	(34,740)	(7,437)	(42,177)
<b>Balance as at March 31, 2015</b>	1,000,000	18,752	2,189	125,976	1,146,917
Total comprehensive loss for the period	-	-	(478,179)	268,265	(209,914)
<b>Balance as at December 31, 2015</b>	1,000,000	18,752	(475,990)	394,241	937,003
Total comprehensive loss for the period	-	-	(20,834)	-	(20,834)
<b>Balance as at March 31, 2016</b>	<b>1,000,000</b>	<b>18,752</b>	<b>(496,824)</b>	<b>394,241</b>	<b>916,169</b>

The annexed notes 1 to 7 form an integral part of these Consolidated Condensed Interim Financial Information.

----- Sd -----  
Chairman

----- Sd -----  
Chief Executive Officer



## NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

### FOR THE QUARTER ENDED MARCH 31, 2016

#### 1. STATUS AND NATURE OF BUSINESS

The Group comprises of:

**Holding company**

- KASB Securities Limited

**Subsidiary company**

- Structured Venture (Private) Limited

- 1.1 KASB Securities Limited (the Company) was incorporated in Pakistan on October 24, 2000 under the Companies Ordinance, 1984 and commenced its operations effective January 01, 2003, on the transfer of assets and liabilities of the securities segment of the then Khadim Ali Shah Bukhari and Company Limited under a Scheme of Arrangement approved by the High Court of Sindh. The shares of the Company are listed on the Pakistan Stock Exchange Limited (PSX). The registered office of the Group is situated at 5th Floor, Trade Centre, I.I. Chundrigar Road, Karachi.
- 1.2 The Holding Company is a subsidiary of BankIslami Pakistan Limited (the Parent Company) which holds 77.12% of the shares of the Group.
- 1.3 The Group is a TREC holder of the Pakistan Stock Exchange Limited (PSX) and Pakistan Mercantile Exchange Limited (PMEL) and is principally engaged in the business of stocks, money market, foreign exchange and commodity broking. Other activities include investment in a mix of listed and unlisted equity and debt securities, economic research and advisory services.
- 1.4 Structured Venture (Private) Limited (the subsidiary) was incorporated in Pakistan on June 25, 2010 under the Companies Ordinance, 1984. The registered office of the company is situated at 5th Floor, Trade Centre, I.I. Chundrigar Road, Karachi.
- 1.5 The subsidiary is wholly owned by KASB Securities Limited.
- 1.6 The subsidiary's core objective is to capitalize on opportunities across different asset classes, including but not limited to, commodities, structured products, real estate etc. In addition, the subsidiary can, subject to regulatory approvals, invest / participate in selected local and foreign business ventures.

#### 2. BASIS OF PREPARATION

These consolidated condensed Interim Financial Information have been prepared under the historical cost convention except for investments which are carried at fair value.

#### 3. STATEMENT OF COMPLIANCE

These consolidated condensed Interim Financial Information of the Group for the quarter ended March 31, 2016 have been prepared in accordance with the requirements of the International Accounting Standard 34 - "Interim Financial Reporting" and provisions of the Companies Ordinance, 1984 and directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements differ, the provisions of the Companies Ordinance, 1984 and the said directives have been followed.

These consolidated condensed Interim Financial Information do not include all the information and disclosures required in Annual Financial Statements and should be read in conjunction with the annual published financial statements for the year ended December 31, 2015.

These consolidated condensed Interim Financial Information are un-audited.

#### 4. ACCOUNTING POLICIES

The accounting policies and methods of computation followed in the preparation of these consolidated Interim condensed Interim Financial Information are consistent with those followed in the preparation of the Group consolidated annual published Financial Statement for the year ended December 31, 2015.

**5. BASIS OF CONSOLIDATION**

The Financial Information of the subsidiary are included in the consolidated condensed Interim Financial Information from the date the control commences until the date the control ceases. In preparing consolidated condensed Interim Financial Information, the Financial Information of the Holding Company and Subsidiary are consolidated on a line by line basis by adding together the like items of assets, liabilities, income and expenses. Significant intercompany transactions have been eliminated.

**6. DATE OF AUTHORISATION**

These consolidated condensed Interim Financial Information have been authorised for issue by the Board of Directors of the Group on April 25, 2016.

**7. GENERAL**

7.1 Figures have been rounded off to the nearest thousand of rupees.



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Chairman

----- Sd -----  
Chief Executive Officer



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