



BAKER TILLY
MEHMOOD IDREES
QAMAR
CHARTERED ACCOUNTANTS

Opinion

In our opinion, the financial information in the statement of Net Capital Balance of **Iqbal Usman Kodvavi Securities (Private) Limited** as at December 31, 2016 is prepared, in all material respects, in accordance with SEC Rules 1971 and Regulations.

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Baker Tilly Mehmood Idrees Qamar
Engagement Partner: Muhammad Aqeel Ashraf Tabani

Karachi.

Date: 28 FEB 2017



BAKER TILLY
MEHMOOD IDREES
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CHARTERED ACCOUNTANTS

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TO THE BOARD OF DIRECTORS OF IQBAL USMAN KODVAVI SECURITIES (PRIVATE) LIMITED

We have audited the accompanying Statement of Net Capital Balance of **Iqbal Usman Kodvavi Securities (Private) 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.

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CALCULATION OF NET CAPITAL BALANCE
FOR PURPOSES OF RULES 2(d) OF
SECURITIES & EXCHANGE RULES, 1971 OF
IQBAL USMAN KODVAVI SECURITIES (PRIVATE) LIMITED
AS AT DECEMBER 31, 2016

	Note	RUPEES	RUPEES
CURRENT ASSETS			
1. CASH IN HAND AND BANK BALANCES			
1.1	Cash deposited as margins with Stock Exchanges and National Clearing Company of Pakistan Limited.	1	6,493,395
1.2	Clients' Bank Account Balance		
a)	Bank balance(s) pertaining to brokerage house	(19,579,946)	
b)	Bank balance(s) pertaining to clients	102,434,322	
c)	Total bank balances		82,854,376
1.3	Cash in hand		58,723
2. TRADE RECEIVABLES			
2.1	Aging and break up of Trade Receivables		
a)	Aging of trade receivables		
i)	Total receivables	50,039,214	
ii)	Outstanding for more than 14 days	(8,054,719)	
iii)	Balance generated within 14 days and/or not year due		41,984,494
3. INVESTMENT IN LISTED SECURITIES IN THE NAME OF BROKERAGE HOUSE			
3.1	Securities on exposure list Less: 15% Discount		
			6,960,547
4. SECURITIES PURCHASED FOR CLIENT			
			-
5. PIBS			
			-
TOTAL ASSETS			138,351,535
CURRENT LIABILITIES			
6. TRADE PAYABLES			
6.1	Trade payables within 30 days		73,787,511
7. OTHER PAYABLES			
7.1	Accrued and other liabilities	2	713,498
7.2	Trade payables more than 30 days		28,646,810
			29,360,308
TOTAL LIABILITIES			103,147,819
NET CAPITAL BALANCE			35,203,716

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EXPLANATORY NOTES OF NET CAPITAL BALANCE
IQBAL USMAN KODVAVI SECURITIES (PRIVATE) LIMITED
AS AT DECEMBER 31, 2016

	<u>RUPEES</u>
1. CASH DEPOSITED AS MARGINS WITH STOCK EXCHANGES AND NATIONAL CLEARING COMPANY OF PAKISTAN LIMITED.	
Future Trading Held Profit	3,681,875
Future Deposited Loss	311,520
Future Exposure Deposit	2,500,000
	<u><u>6,493,395</u></u>
2. ACCRUED AND OTHER LIABILITIES	
CDC payables	546,547
Taxes payables	21,950
Workers' welfare fund	111,001
Other payables	34,000
	<u><u>713,498</u></u>

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