

**Independent Auditors Report On
Statement of Net Capital Balance
To the Board of Directors of ABM Securities (Pvt) Limited**

We have audited the accompanying statement of net capital balance of **ABM Securities (Pvt) 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) Registrations 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.

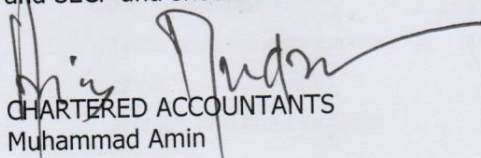
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial information in the statement of Net Capital Balance of ABM Securities (Pvt) 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 No. 1 to the statement, which describes the basis of accounting. The statement is prepared to assist ABM Securities (Pvt) 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 ABM Securities (Pvt) Limited and SECP and should not be distributed to parties other than ABM Securities (Pvt) Limited or SECP.


CHARTERED ACCOUNTANTS
Muhammad Amin

Lahore: February 16, 2017

ABM SECURITIES (PVT) LIMITED
STATEMENT OF NET CAPITAL BALANCE
AS AT DECEMBER 31, 2016

1. BASIS OF PREPARATION

The net capital balance has been prepared on the basis of the Third Schedule read with Rule 2(d) of the Securities Exchange Commission (SEC) Rules 1971 and the Securities Brokers (Licensing and Operations) Registrations 2016 (Regulations).

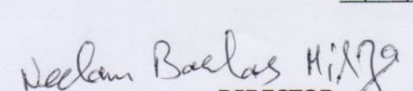
2. COMPUTATION OF NET CAPITAL BALANCE

	Rupees	Rupees
<u>CURRENT ASSETS</u>		
Cash in hand and bank balances		
Cash deposited as margin with:		
Bank balances		
Pertaining to Brokerage House	62,825	
Pertaining to Clients	11,147,131	
	11,209,956	
Cash in hand	91,334	
	11,301,290	11,301,290
Trade Receivable		
Receivable from NCCPL	228,512	
Receivables from Clients	3,038,115	
Less: Outstanding for more than 14 days	289,855	
	2,748,260	
	2,976,772	2,976,772
Investment in Listed Securities		
Investment in Securities	10,849,891	
Less: 15% discount	1,627,484	
	9,222,407	9,222,407
Securities Purchased for Clients		
Receivables from client		
After expiry of 14 days	277,742	277,742
		23,778,211
<u>LESS: CURRENT LIABILITIES</u>		
Trade and other payables		
Overdue payables	11,369,533	
Less: Overdue more than 30 days	3,525,263	
	7,844,270	
Other Liabilities		
Trade payables overdue more than 30 days	3,525,263	
Short term borrowings	150,700	
Accruals of current liabilities	156,621	
	3,832,584	11,676,854
NET CAPITAL		12,101,357

NET CAPITAL

CHIEF EXECUTIVE




DIRECTOR