

**INDEPENDENT AUDITORS REPORT ON STATEMENT OF NET CAPITAL  
BALANCE OF THE SECURITIES BROKERS / BROKERAGE HOUSE**

**To the Board of Directors of M/s. Trust Securities & Brokerage Limited**

We have audited the accompanying Statement of Net Capital Balance of M/s. **Trust Securities & Brokerage Limited** as at October 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 **M/s. Trust Securities & Brokerage Limited** as at October 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 **M/s. Trust Securities & Brokerage 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 **M/s. Trust Securities & Brokerage Limited** and SECP and should not be distributed to parties other than **M/s. Trust Securities & Brokerage Limited** or SECP.



*Haroon Zakaria & Co.*  
Haroon Zakaria & Company  
Chartered Accountants

Place: Karachi  
Dated: 09 NOV 2016

**TRUST SECURITIES & BROKERAGE LIMITED**  
**CALCULATION OF NET CAPITAL BALANCE**  
**AS AT OCTOBER 31, 2016**

	<i>Note</i>	<i>Rupees</i>
<b><u>CURRENT ASSETS</u></b>		
Cash in hand		6,317
Cash at bank		
Balance pertaining to brokerage house		2,914,553
Balance pertaining to clients		27,921,788
	2	30,836,341
		30,842,658
Margin deposit with NCCPL	3	3,500,000
Trade Receivables		
Book value	4	60,800,636
Less: Overdue for more than 14 days		(56,098,016)
		4,702,620
Investment in listed securities		
Securities on the exposure list marked to market	5	145,760
Less: 15% discount	6	(21,864)
		123,896
Securities purchased for client where payment has not been received in 14 days	7	1,168,638
<b>Total Current Assets</b>	<b>A</b>	<b>40,337,812</b>
<b><u>CURRENT LIABILITIES</u></b>		
Trade Payables		
Book value	8	31,221,789
Less: Overdue for more than 30 days		(10,920,060)
		20,301,729
Other liabilities	9	14,905,563
<b>Total Current Liabilities</b>	<b>B</b>	<b>35,207,292</b>
<b>NET CAPITAL BALANCE</b>	<b>A minus B</b>	<b>5,130,520</b>

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Chief Executive Officer



**TRUST SECURITIES & BROKERAGE LTD**  
**NOTES TO THE NET CAPITAL BALANCE**  
**AS AT OCTOBER 31, 2016**

**1 Basis of Accounting:**

This net capital balance have been prepared under the historical cost convention. Further, accrual basis of accounting is followed.

2 This represents the balance in client account and balance in house account

3 This represents margin deposits with NCCPL:

4 This represents receivable from clients against trade in market.

5 This represents the investment made by the company

6 This represents 15% discount on investment made by the company.

7 This represents securities held on behalf of client where payments is overdue for more than 14 days.

8 This represents payable to clients against trades executed in the market.

*Rupees*

**9 Other liabilities include:**

Retirement benefits	1,999,004
Accrued liabilities	444,908
Other liabilities	1,541,591
Trade payables which are over due for more than 30 days	<u>10,920,060</u>
	<u><u>14,905,563</u></u>



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**Chief Executive Officer**