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Awarded the "Best Brokerage House in Pakistan for the period 1990-2013" in the 25th Anniversary Poll of Polls conducted by Asiamoney.

Awarded the "Best Brokerage House of the year 2014", for the 7th consecutive year by CFA Society Pakistan.

Ranked as the **#1 Broker for 2012, 2013 and 2014** by the **Pakistan Mercantile Exchange**.

Our success is a direct result of the trust, faith and support of our clients. We will continue to live up to your expectations in delivering unparalleled service.



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COMPANY INFORMATION

Board of Directors:

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

Audit Committee:

Saad Ahmed Madani - Chairman Mansur-ur-Rehman Khan Khawaja Ehrar-ul-Hassan Fazal Mehmood Malik - Secretary

HR & R Committee:

Mansur-ur-Rehman Khan - Chairman Ms. Natasha Matin Fahad Asad Khan Najmus Saqib - Secretary

Company Secretary:

Kashif Shahzad

Acting CFO:

Ilyas Ahmed

Auditors:

RSM 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
MCB Bank Limited
MCB Bank Limited
Meezan Bank Limited

Legal Advisor:

Bawaney & Partners
Advocates and Investment & Corporate Adviser
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Website

www.kasbsec.com

Share Registrar:

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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 nine months ended September 30, 2016.

Economic Review

The path to economic growth continued undeterred though global events (Brexit, timing and extent of rate hike by FED) and domestic challenges (Current Account, inflation) have creeped up.Large Scale Manufacturing growth remained positive at 2.6% in July, while pick up in construction activity and energy sector development is expected to accelerate growth further.

Keeping in view the recent recovery in international oil prices amid OPEC's latest decision on cutting production, the external account is likely to feel the heat. Exports have not shown much signs of recovery yet, down 8% during the quarter to US\$ 3.1 bn, while slowdown in developed economies is likely to prolong the sluggish demand dynamics. Remittances also slowed during the quarter, declining 3% YoY to US\$ 3.1 bn in July-Aug 2016, though are expected to show modest growth during the year. As a result current account deficit increased to US\$ 1.3 bn in 1Q FY17 compared to US\$ 0.7 bn in the same period last vear.

Rising inflationary expectations due to domestic demand growth, together with higher external account deficit has kept the central bank on cautious mode, and has kept policy rate unchanged at 5.75% in both the July and September review.

The successful completion of the final review of IMF program is a key milestone, where an IMF loan program has been completed for the first time. Foreign exchange reserves increased considerably under this program, standing at US\$ 23.4 bn which is above 6-months of import cover and has played a key role in keeping exchange rate stable. The government plans to launch an international Sukuk bond this month which should further boost FX reserves.

Equity Market Review

The excitement related to equity market upgrade to MSCI EM, smooth economic progress and successful completion of IMF program, together with improved corporate earnings outlook has buoyed the positive market momentum during 3Q16. The KSE-100 index accelerated up by 7.3%, closing the quarter at a new high of 40,542 points. The domestic political situation grew slightly rocky towards the middle of the quarter, which coupled with outflow from the Foreign Investor's Portfolio Investment (FIPI), curbed the KSE-100 rally, though marking positive returns in both August and September. FIPI recorded a net outflow of US\$ 38.5 mn compared to net inflow of US\$ 59.6 mn witnessed in previous quarter. Increase in trading in side-board and penny stocks is primarily behind the uptick in volumes. Divestment process of 40% stake in Pakistan Stock Exchange Limited (PSX) has entered in its final stage The PSX is reported to have received interest from at least seventeen local and foreign investors. The process has intensified focus of foreign investors on Pakistan equity market and could prove to be yet another key trigger for market performance and further increase in volume.

Debt and Currency Market Review

Following the big maturity of Pakistan Investment Bonds/T-bills in July, banks' focus on shorter duration government securities has come in the limelight. As a result, the SBP raised significant amounts from its fortnightly T-bill and monthly PIB auctions, of PKR 1,614 bn and PKR 649 bn respectively. The money market rates remained broadly stable, in line with unchanged policy rate of 5.75% during the quarter.

The stability in exchange rate parity gained further traction since the jump in FX reserves to above US\$ 23 bn at the end of last quarter. PKR/USD gained by a modest 0.3% to close the quarter at PKR 104.6, primarily driven by smooth progress on IMF program, continued build-up in FX reserves and a comfortable import cover of over-6 months.

Operating and Financial Performance

During the period to September 30, 2016, the Company reported Net loss (after tax) of PKR 22.28 mn (Net profit after tax PKR 4.72 mn during 3Q 2016) as compared to Net Loss (after tax) of PKR 560.94 mn during the same period in 2015. Operating and Administrative expenses of PKR 234.61 mn remained lower by 29% over comparative period expenses of PKR 331.66 mn due to better control.

Details of financial performance for nine months are as follows:

| | AMOUNT IN PKR MILLIONS | | | | |
|---|------------------------|----------|-------------------|----------|--|
| | Nine Montl Septem | | 3rd Qtr Septem | | |
| | 2016 | 2015 | 2016 | 2015 | |
| Operating revenue | 163.83 | 193.51 | 57.46 | 84.65 | |
| Mark-up / profit on bank deposits and | | | | | |
| other receivables | 34.33 | 49.29 | 12.97 | 17.09 | |
| Gain on sale of investments – net | 12.43 | 42.40 | 5.91 | 7.21 | |
| Dividend income | 2.24 | 40.78 | 1.00 | 39.79 | |
| Unrealised gain / (loss) on investments | 6.26 | (2.79) | 2.86 | (3.00) | |
| Other income | 2.22 | 4.39 | 0.91 | 1.34 | |
| Total income | 221.31 | 327.58 | 81.11 | 147.08 | |
| | | | | | |
| Operating and administrative expenses | (234.61) | (331.66) | (70.60) | (114.38) | |
| Impairment on long-term investment - Subsidiary | (0.21) | (486.82) | - | (0.04) | |
| Impairment on 'available-for-sale' investments | - | (53.47) | - | - | |
| Finance cost | (10.92) | (12.68) | (3.50) | (3.70) | |
| Total expenses | (245.74) | (884.63) | (74.10) | (118.12) | |
| Net (loss) /profit before provision | (24.43) | (557.05) | 7.01 | 28.96 | |
| Reversal of provision against doubtful debts | | 1.57 | - | 0.29 | |
| Net (loss)/profit before taxation | (24.43) | (555.48) | 7.01 | 29.25 | |
| Taxation | 2.15 | (5.46) | (2.29) | (1.34) | |
| Net (loss) /profit after taxation | (22,28) | (560.94) | 4.72 | 27.91 | |

Future Outlook

For 4Q 2016, our focus continues to remain on expected high volumes in equities. Emphasis will be on reviving institutional sales and profitable branch network. On retail side, we expect to see growth due to our new mobile phone applications (expected to be launched with change of name approved by SECP) with new features and facilities enhancing customer experience. Formalities with change of name have been completed and we await approval from Securities & Exchange Commission of Pakistan for change of name to takes its effect within this quarter.

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

Mansur-ur-Rehman Khan Chairman Karachi: October 24, 2016

ڈانریکٹرز رپورٹ برانے اراکین

میں KASB سیکیوریٹیز لمیٹڈ کے بورڈ آف ڈائریکٹرز کی طرف سے 30 ستمبر 2016 کے نو ماہ کےغیر آڈٹ شدہ علمدہ (standalone)اور اشتمال شدہ (consolidated financial statements) مالیاتی گوشوارے بمع نو ماه جائزه آپ کی خدمت میں پیش کر رہا ہوں۔

معاشى جانزه

معاشی ترقی پاوچور کیم عالمی و اقعات (برطانیہ کا ای ای سے نکانا ، وقت اور ایف ای ڈی کی جانب سے نرخ میں اضافے کی حد) اور اندرونی چیلنجز (کرنٹ اکاونٹ، افراطِ زر) بارکاوٹ آگ بڑھی ری ۔ جو لائی میں بڑے پیمانے کے پیداواری شعبے کی ترقی 2 اعشاریہ 6 فیصد پر مثبت رہی جبکہ تعمیراتی سرگرمیوں میں تبزی آنی اور توقع اے کہ تو انائی کے سیکٹر کی نشو نما سے ترقی کی رفتار میں مزید تیزی آنے گی۔

حالیہ تیل کی بین الاقوامی قیمتوں میں تیزی اور او پی ای سی(OPEC) کی پیداوار میں کمی کے فیصلے کو مدِ نظر رکھتے ہوئے یہ ممکن ہے کہ بیرونی اکانٹ اس کے برےاثرات محسوس کرے گابر آمدات میں ابھی تک بہتری کے اشارے نہیں, کیمائی, کےاور وہ سہ ماہی میں 8 فیصد کمی کے ساتھ 3 اعشاریہ 1 بلین امریکی ڈالر رہی، جبکہ ترقی یافتہ معیشتوں میں سست روی کے با عث برآمدی اشیاء کی مانگ کی کمی طول کڑئے گی اس سہ ماہی کے دوران ترسیل زر میں بھی کمی رہی، جولانی تا اگست 2016 کی سہ ماہی میں سال بہ سال کی تا ہ 3 فیصد کم ہو کر 3 اعشاریہ 1 بلین امریکی ڈالر رہی، اگرچہ یہ توقع ہے کہ سال کے دور ان اس میں اضافہ ہوگا۔ اس کے نتیجے میں سال 2017 کی پہلی سہ ماہی میں کرنٹ اکاونٹ کا خسارہ بڑھ کر 3 اعشار یہ 1 بلین امریکی ڈالر ہو گیاجو گذشتہ سال اسی مدت کے دور ان صغر اعشاریہ 7 بلین امریکی ڈالر تھا۔

اندر ونی مانگ میں نمو کے ساتھ بیر ونی اکاونٹ میں خسارے کی وجہ سے افر اطرز ر سے متعلق بڑ ہتی ہوئی توقعات نے مرکزی بینک کو محتاط رکھا اور اسی وجہ سے جولائی اور ستمبر کے جانزے میں 5 اعشاریہ 75 فیصد کا غیر تبدیل شدہ پالیسی ریث (نرخ) رکھا

ائی ایم ایف کے حتمی جانزہ پر وگر ام کی کامیابی سے تکمیل ایک اہم سنگ ِ میل ہے جہاں آئی ایم ایف کے قرضہ کا پروگرام پہلی مرتبہ پایہ تکمیل پہنچا۔اس پروگرام کے تحت غیر ملکی زر مبادلہ کے ذخانر کافی اضافے کے ساتھ 23 اعشاریہ 4 بلین امریکی ڈالر ہو گئے، جو 6 ماہ سے زیادہ کی در آمدات کے لیے کافی ہیں اور اس نے مبادلہ کے نرخ کو مستحکم رکھنے میں اہم کردار ادا کیا۔ گورنمنٹ اس ماہ بین الاقوامی سکوک بانڈ کے اجراء کا منصوبہ رکھتی ہے جس سے زر مبائلہ کے ذخائر میں مزید اضافہ ہونا چاہیے -

ایکوٹی مارکیٹ کا جائزہ

ایکوٹی مارکیٹ کی ایم ایس سی آنی ای ایم (MSCI-EM) درجہ میں ترقی ، ہموار اقتصادی ترقی اور آئی ایم ایف پرگرام کی کامیاب تکمیل ، کے ساتھ بہتر کارپوریٹ کی آمدنی کی امید سے 2016 کی تیسری سہ مابی میں مارکیٹ میں مثبت اور بھر پور تیزی آ چکی ہے۔ کے ایس ای 100 انڈیکس کی شرح میں 7 اعشاریہ 3 فیصد کی تیزی آئی ، سہ ماہی کا اختثام 40542 ہوائش کی نئی بلند سطح ہوا۔ سہ ماہی کے درمیان اندرونی سیاسی صورتحال میں تناؤ بڑھ گیاتھا۔ اس کے ساتھ غیر ملکی سرمایہ کاروں کے سرمایہ کاری کےپورٹ فولیو ایف آئی پی آئی (FIPI) سے سرمایہ کے اخراج سے کے ایس ای 100 کی ریلی میں کمی آئی ، تاہم اگست اور ستمبر میں واپس مثبت تبدیلی دکھائی. ایف آئی پی آئی (FIPI) نے اس سہ ماہی میں 38 اعشاریہ 5 ملین امریکی ڈالر کا اخراج رکارڈ کیا جبکہ گذشتہ سہ ماہی میں 59 اعشاریہ 6 ملین امریکی ڈالر کی آمد دیکھی گئے سانڈ بورڈ اور پینی اسٹاک کی تجارت میں تیزی بنیادی طور پراس کاروباری حجم کی وجہ ہر ، پاکستان اسٹاک ایکسچینج لمیٹڈ (PSX) میں ڈائیو سٹمنٹ پروسس اپنے حتمی مرحلے میں داخل ہو چکا ہے. پی ایس ایکس(PSX) کم از کم سترہ مقامی اور غیر ملکی سرمایہ کاروں سے اظہار دلچسپی کے وصول کنے جانے کو رپورٹ کر چکا ہے۔ پروسس کی توجہ کا مرکز پاکستان کی ایکوٹی مارکیٹ میں غیر ملکی سرمایہ کار ہیں اور یہ مارکیٹ کی کارکردگی بڑھانے اور حجم میں مزید اضافہ کرنے کے لیے بنیادہوں گے۔

قرضہ اور کرنسی مارکیٹ کا جائزہ

جو لائی میں پاکستان انویسٹمنٹ بانڈز /ٹی بلز (T-Bills) کی بڑی ادائیگی کی مدت کی تکمیل کے بعد بینکوں کی توجہ نسبتا کم دور انیہ کے گور نمنٹ کے تمسکات بمبدول علی اس کے نتیجے میں ایس بی پی(SBP) نے اپنے ٹی بلز کی پندرہ روزہ اور پی آئی بی (PIB) کی مابانہ نیلامی سے بالترتیب 1614 بلین روپے اور 649 بلین روپے کا اضافہ کیا۔سہ ماہی کے دوران غیر تبدیل شدہ 5 اعشاریہ 75 فیصد پالیسی نرخ کے ساتھ زر مارکیٹ کے نرخ زیادہ تر مستحکم رہے۔

گذشتہ سہ مابی کے آخر سے غیر ملکی زر مبادلہ کے ذخائر 23 بلین امریکی ڈالر تک بڑھنے کی وجہ سے مبادلہ کے نرخ میں مساوات اور استحکام آیا. بنیادی طور پر ہموار آنی ایم ایف (IMF) کے پروگرام میں پیش رفت، مسلسل غیر ملکی زرمبادلم میں اضافہ جو کہ چھ ماہ سے زائد مدت کی درآمدات کے لیے کافی ذخائر کی وجہ ہی کے آر/یو ایس ڈی میں صفر اعشاریہ 3 فیصد کے معمولی اضافہ کے ساتھ، سہ ماہی میں، 104 اعشاریہ 6 روپے رہا۔

آپریٹننگ اور مالیاتی کارکردگی

30 سٹمبر 2016 کو اختثام پذیر مدت کے دوران کمپنی نے 22 اعشاریہ 28 ملین روپے کا خالص نقصان (بعد از ٹیکس) جبکہ 2016 کی تیسری سہ ماہی کے دوران خالص منافع 4 اعشاریہ 72 ملین روپے رپورٹ کیا گیا جبکہ اس کے مقابلے میں 2015 کی اسی مدت کے دور ان خالص نقصان (بعد از ٹیکس) 560 اعشاریہ 94 ملین روپے رپورٹ ہوا تھا ۔گذشتہ سال اسی مدت کے 331 اعشاریہ 66 ملین روپے کے آپریٹنگ اور انتظامی اخراجات میں بہتر کنٹرول کی وجہ سے 29 فیصد کمی کے ساتھ 234 اعشاریہ 61 ملین روپے رہی۔

نو ماہ کی مالیاتی کار کر دگی کی تفصیلات در ج ذیل ہیں

| ئثام پذیر 9 ماه | 30 ستمير کو اڅ | اختتام يذير | 30 ستمبر کو | |
|-----------------|----------------|-------------|-------------|--|
| | 4 | ، مابی پر | تيسری سہ | |
| 2016 | 2015 | 2016 | 2015 | |
| | PKR میں رقوم) | Millions) | | |
| 163.83 | 193.51 | 57.46 | 84.65 | آپریٹنگ آمدنی |
| 34.33 | 49.29 | 12.97 | 17.09 | بینک ڈپازٹس اور دیگر قابل وصولی رقوم یر مارک اب/منافع |
| 12,43 | 42.40 | 5.91 | 7.21 | سرمایہ کاری کی فروخت سے منافع۔ خالص |
| 2.24 | 40.78 | 1.00 | 39.79 | ڈیویڈینڈ کی آمدنی |
| 6.26 | (2.79) | 2.86 | (3.00) | سرمایه کاری پر غیر تکمیل شده اضافه (نقصان) |
| 2,22 | 4.39 | 0.91 | 1.34 | دیگر آمدنی |
| 221.31 | 327.58 | 81.11 | 147.08 | كل آمدنى |
| | | | | |

| (234.61) | (331.66) | (70.60) | (114.38) | أبريثنگ اور انتظامي اخراجات |
|----------|----------|---------|----------|--|
| | | | | طویل المدت دورانیہ کی سرمایہ کاری پر |
| (0.21) | (486.82) | • | (0.04) | نقصان- ذیلی ادار ه |
| | (53.47) | - | - | دستیاب قابل فروخت سرمایہ کاری پر نقصان |
| (10.92) | (12.68) | (3.50) | (3.70) | مالياتي لاگت |
| (245.74) | (884.63) | (74.10) | (118.12) | كل اخراجات |
| | | | | |
| (24.43) | (557.05) | 7.01 | 28.96 | خالص (نقصان)/منافع مختص کیے جانے سے |
| (24.43) | (337.03) | 7.01 | 20.70 | پا <u>ئے</u> |
| | | | | مشکوک قرضہ جات کے لیے مختص کردہ |
| - | 1.57 | - | 0.29 | رقوم کی واپسی (کا اندارج) |
| (24.43) | (555.48) | 7.01 | 29.25 | خالص (نقصان)/منافع قبل از ثیکس |
| 2.15 | (5.46) | (2.29) | (1.34) | وليكس |
| (22.28) | (560.94) | 4.72 | 27.91 | خالص (نقصان)/منافع بعد از ثیکس |
| | | | | |

مستقبل کا خاکہ

2016 کی چوتھی سہ ماہی کے لیے ہماری توجہ متوقع ایکوٹی کے بڑے حجم پر رہے گی۔ ہماری توجہ اداراتی سیلز کی بحالی اور منافع بخش برانچوں کا جال بچھانے پر ہو گی۔ ریٹیل کے کاروبار میں اصافہ کی توقع ہماری نئی موبانل فون اپلیکیشن، جس میں نئی خصوصیا ت اور سہولیات سے گاہکوں کے استعمال کے تجربے میں اضافہ ہوگا، اس اہلیکیشن کا اجراء ادارے نام کی تبدیلی کے ساتھ کرنے کا ارادہ ہے ۔ نام کی تبدیلی کی رسمی کاروانیاں مکمل ہو چکی ہیں اور ہم سیکیورٹی ایکسچینج کمیشن آف پاکستان سے نام کی تبدیلی کی منظوری کا انتظار کر رہے ہیں امید ہے کہ اس سہ ماہی میں اس پر عملدار آمد شروع ہو جانے گا۔

تسليم و تحسين

ڈائریکٹرز اپنے تمام معزز صارفین، حصص یافتگان، ، کاروباری شراکت دار وں اور دیگر اسٹیک بولڈرز کے کمپنی پر کیے گئے مسلسل بھروسے پر ان کے مشکور ہیں ۔ بور ڈ اپنے تمام ملازمین کی لگن اور جانفشانی کو بھی تہہ بلسے سراہتا ہے ۔

بورڈ آف ڈائریکٹرز کی طرف سے

منصور الرحمان خان

صدر نشین

كراچى:24 اكتوبر 2016

STANDALONE CONDENSED INTERIM FINANCIAL INFORMATION

CONDENSED INTERIM BALANCE SHEET AS AT SEPTEMBER 30, 2016

| | Note | (Un-audited) September 30, 2016 | 2015 |
|--|------------------|--|--|
| SSETS | | (Rupees | in '000) |
| Ion-current assets | | | |
| Property and equipment ntangible assets nvestment properties ong-term investments ong-term loans and advances ong-term deposits and prepayments beferred tax asset - net | 5 | 28,998 4,716 5,429 580,156 301 12,952 59,588 | 37,217 4,077 5,646 584,107 448 12,668 51,131 |
| | | 692,140 | 695,294 |
| current assets | | • | , |
| short-term investments rade debts dvances, deposits, prepayments and other receivables axation - net cash and bank balances | 6 7 8 9 | 73,519 109,308 390,426 52,487 797,721 | 28,531 121,800 199,331 36,573 547,174 |
| | | 1,423,461 | 933,409 |
| OTAL ASSETS | | 2,115,601 | 1,628,703 |
| QUITY AND LIABILITIES thare capital and reserves | | | |
| Ssued, subscribed and paid-up capital Seneral reserve Inrealised gain on re-measurement of 'availablefor-sale' investments to fair value - net ccumulated loss | | 1,000,000 18,752 390,508 (498,270) | 1,000,000 18,752 394,241 (475,990) |
| , | | 910,990 | 937,003 |
| lon-current liabilities ong-term loan | 10 | 150,000 | 150,000 |
| urrent liabilities | | | |
| rade and other payables ccrued mark-up | 11 | 1,054,574 37 | 541,663 37 |
| | | 1,054,611 | 541,700 |
| OTAL EQUITY AND LIABILITIES | | 2,115,601 | 1,628,703 |
| ONTINGENCIES AND COMMITMENTS | 12 | | |
| he annexed notes 1 to 22 form an integral part of these Co | ndensed l | nterim Financial In | formation. |
| Sd | | So | |
| Chairman | | Chief Execu | tive Officer |

⊕|KASB SECURITIES

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2016

| Operating revenue Net gain on investments 'at fair value through profit and loss' Gain on sale of investments - net Unrealised gain / (loss) on re-measurement of investmen 'at fair value through profit and loss' -net Dividend income Mark-up / profit on bank deposits | 13 14 | 163,824 12,433 6,257 | 2015 (Rupees ii 193,508 | 2016 n '000) ····· 57,459 | 2015 84,643 7,212 |
|--|-----------------|----------------------------|-------------------------------|---------------------------------|-------------------------|
| Net gain on investments 'at fair value through profit and loss' Gain on sale of investments - net Unrealised gain / (loss) on re-measurement of investmen 'at fair value through profit and loss' -net Dividend income | 13 14 nts | 163,824 12,433 6,257 | 193,508 | 57,459 | 84,643 |
| Net gain on investments 'at fair value through profit and loss' Gain on sale of investments - net Unrealised gain / (loss) on re-measurement of investmen 'at fair value through profit and loss' -net Dividend income | 14 nts | 12,433 6,257 | 42,400 | , | · |
| through profit and loss' Gain on sale of investments - net Unrealised gain / (loss) on re-measurement of investmen 'at fair value through profit and loss' -net Dividend income | nts | 6,257 | | 5,907 | 7,212 |
| Gain on sale of investments - net Unrealised gain / (loss) on re-measurement of investmen 'at fair value through profit and loss' -net Dividend income | nts | 6,257 | | 5,907 | 7,212 |
| Unrealised gain / (loss) on re-measurement of investmen 'at fair value through profit and loss' -net Dividend income | nts | 6,257 | | 5,907 | 7,212 |
| 'at fair value through profit and loss' -net Dividend income | | | (2.702) | | |
| | | | (2,793) | 2,860 | (3,000) |
| | | 18,690 | 39,607 | 8,767 | 4,212 |
| | | | | | |
| /lark-up / profit on bank deposits | 16 | 2,243 | 40,785 | 1,000 | 39,788 |
| and other receivables | 17 | 34,334 | 49,296 | 12,977 | 17,093 |
| and other receivables | 17 | 219,091 | 323,196 | 80,203 | 145,736 |
| Operating and administrative expenses | 18 | (234,607) | (331,663) | (70,603) | (114,383) |
| mpairment on long term investment - Subsidiary | 5.1 | (218) | (486,819) | (4) | (43) |
| mpairment on 'available for sale' investments 5.2.1 | | - | (53,473) | \ - | - |
| Reversal of provision against doubtful debts | 7.2 | 2 | 1,570 | - | 290 |
| | | (234,823) | (870,385) | (70,607) | (114,136) |
| Operating (loss) / profit | | (15,732) | (547,189) | 9,596 | 31,600 |
| inance cost | | (10,919) | (12,681) | (3,498) | (3,695) |
| | | (26,651) | (559,870) | 6,098 | 27,905 |
| Other income | 19 | 2,218 | 4,392 | 911 | 1,341 |
| Loss) / profit before taxation | | (24,433) | (555,478) | 7,009 | 29,246 |
| axation | | | | | |
| Current - for the period | | (6,304) | (22,244) | (1,626) | (7,819) |
| Deferred | | 8,457 | 16,781 | (663) | 6,482 |
| \ | | 2,153 | (5,463) | (2,289) | (1,337) |
| Loss) / profit after taxation | | (22,280) | (560,941) | 4,720 | 27,909 |
| Other comprehensive income / (loss): tem to be reclassified to profit and loss in subsequent p | oeriods: | | | | |
| Inrealised (loss) / gain arising during the period | | | | | |
| on re-measurement of 'available-for-sale' investments - net | 5.2.4 | (3,733) | 287,829 | 275 | 15,688 |
| Fotal comprehensive (loss) / income for the perio | d | (26,013) | (273,112) | 4,995 | 43,597 |
| | | | | | |
| | | | ····· (Rupe | es) | |
| Loss) / earning per share - basic and diluted | | (0.22) | (5.61) | 0.05 | 0.28 |
| The annexed notes 1 to 22 form an integral par | rt of the | se Condens | ed Interim Fina | ncial Inforr | nation. |
| Sd | | | | Sd | |
| Chairman | | | Chief | Executive | Officer |

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2016 Nine Menths Ended

| FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2016 | Nine Mont Septem | |
|--|---------------------|-------------------|
| | 2016 | 2015 |
| CASH FLOW FROM OPERATING ACTIVITIES | ····· (Rupees | in '000) |
| Loss before taxation | (24,433) | (555,478) |
| lon-cash adjustments to reconcile loss | , , | , , , |
| before tax to net cash flows: | | |
| Depreciation Amortisation | 10,952 | 12,266 |
| Amortisation Gain on sale of investments - net | 561 (12,433) | 152 (42,400) |
| Gain) / loss on sale of property and equipment | (250) | 5 |
| Jnrealised (gain) / loss on re-measurement of investments | ` | |
| 'at fair value through profit or loss' - net | (6,257) | 2,793 |
| mpairment on long-term investment - Subsidiary mpairment on 'available for sale' investments | 218 | 486,819 53,473 |
| Reversal of provision against doubtful debts | (2) | (1,570) |
| Finance cost | 10,919 | 12,681 |
| Dividend income | (2,243) | (40,785) |
| | 1,465 | 483,434 |
| | (22,968) | (72,044) |
| Vorking capital adjustments: | (==,===, | (-, - · ·) |
| | | |
| Increase) / decrease in assets | 42.404 | /CE 047) |
| Frade debts | 12,494 | (65,017) |
| Advances, deposits, prepayments and other receivables | (190,095) | 78,216 |
| ncrease in current liabilities | (177,601) | 13,199 |
| Frade and other payables | 512,912 | 77,750 |
| | 312,343 | 18,905 |
| Finance cost paid | (10,919) | (12,694) |
| ncome tax paid | (22,218) | (20,673) |
| Net cash flows generated from / (used in) operating activities | 279,206 | (14,462) |
| , , , , , | | , |
| CASH FLOW FROM INVESTING ACTIVITIES nvestments 'at fair value through profit or loss' - net | (26,298) | 42.400 |
| Purchase of property and equipment | (2,650) | (1,867) |
| Purchase of intangible assets | (1,200) | (1,287) |
| Proceeds from disposal of property and equipment | 384 | 541 |
| Dividend received | 1,243 | 40,253 |
| Net cash flows (used in) / generated from investing activities | (28,521) | 80,040 |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| Long-term loans and advances | 147 | 3,127 |
| ong-term deposits and prepayments | (284) | 253 |
| Dividend paid | (1) | (4) |
| Net cash flows (used in) / generated from financing activities | (138) | 3,376 |
| Net increase in cash and cash equivalents | 250,547 | 68,954 |
| Cash and cash equivalents at the beginning of the period | 547,174 | 652,580 |
| Cash and cash equivalents at the end of the period | 797,721 | 721,534 |
| = | | |
| The annexed notes 1 to 22 form an integral part of these Condensed Ir | nterim Financial | Information. |
| Sd | | Sd |
| Chairman | Chiof Eye | cutive Officer |
| | CHICK EXC | bullye Officer |

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2016

| | Share capital | General reserve | -priated of profit / s | Unrealised gain / (loss) re-measurem of 'available- sale' investm o fair value - | on ent for- Total ents |
|---|------------------|--------------------|------------------------|---|---------------------------------|
| | | (F | Rupees in '0 | 00) | |
| Balance as at January 01, 2015 | 1,000,000 | 18,752 | 104,791 | 133,413 | 1,256,956 |
| Total comprehensive loss for the period | | - | (560,941) | 287,829 | (273,112) |
| Balance as at September 30, 2015 | 1,000,000 | 18,752 | (456,150) | 421,242 | 983,844 |
| Total comprehensive loss for the period | - | | (19,840) | (27,001) | (46,841) |
| Balance as at December 31, 2015 | 1,000,000 | 18,752 | (475,990) | 394,241 | 937,003 |
| Total comprehensive loss for the period | | - | (22,280) | (3,733) | (26,013) |
| Balance as at September 30, 2016 | 1,000,000 | 18,752 | (498,270) | 390,508 | 910,990 |

The annexed notes 1 to 22 form an integral part of these Condensed Interim Financial Information.

| Sd | Sd |
|----------|-------------------------|
| Chairman | Chief Executive Officer |

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS ENDED SEPTEMBER 30, 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 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 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 Corporate Member of Pakistan Mercantile Exchange Limited (PMEX) 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 Statements 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 nine months ended September 30, 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.

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:

Nine Months Ended (Un-audited)

| | | Time months Ended (on dudited) | | | | |
|-----|-----------------------------------|--------------------------------|------------------|-------|--------------------|--------------------|
| | | Septembe | er 30, 2016 | , | Septembe | r 30, 2015 |
| | | Additions- Cost | Disposa (NBV) | | Additions- Cost | Disposals (NBV) |
| | | | (Ru | oees | in '000) | |
| | Computers and office equipment | 2,650 | 46 | | 1,867 | 297 |
| | Furniture and fixtures | - | 77 | | = | 249 |
| | Vehicles - owned | - | 11 | | | |
| | : | 2,650 | 134 | _ | 1,867 | 546 |
| | | | | | (Un-audited) | (Audited) |
| | | | N ₁ | ote | September 30, | December 31, |
| | | | | | 2016 | 2015 |
| | | | | | (Rupee | s in '000) |
| 5. | LONG-TERM INVESTMENTS | | | | | , |
| | Subsidiary company - Structured V | enture (Private) | Ltd. (SVPL) | 5.1 | 1,856 | 2,074 |
| | 'Available-for-sale' investments | | | 5.2 | 578,300 | 582,033 |
| | | | | | 580,156 | 584,107 |
| 5.1 | Subsidiary Company | | | | | |
| | Cost | | | | 488,581 | 488,581 |
| | Less: Impairment | | | | (486,725) | (486,507) |
| | | | | 5.1.1 | 1,856 | 2,074 |
| | | | | | | |

5.1.1 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 (Private) 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 facia a fraud was committed with the Company against which, criminal and civil proceedings have already been initiated.

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.

During the period, the Company has recognized further impairment as the net assets of SVPL has decreased due to operating losses.

(Un-audited) (Audited)

Note September 30, December 31,
2016 2015
......(Rupees in '000).......

5.2 'Available-for-sale' investments

Name of the Investee Company

Quoted shares

Pakistan Stock Exchange Limited

KASB Bank Limited
Unquoted shares

3,595 3,595 5.2.2 **574,705** 578,438 arty) 5.2.3 - -

5.2.1

Al Jomaih Power Limited
New Horizon Exploration and Production Limited - (Related Party)
-Class 'A' ordinary shares

578,300 582,033

- 5.2.1 The Federal Government, in terms of the provisions of Section 47 of the Banking Companies Ordinance, 1962 sanctioned a Scheme of Amalgamation of KASB Bank Limited with and into BankIslami Pakistan Limited with effect from May 07, 2015. In terms of the said Scheme of Amalgamation, the Company's shares in KASB Bank Limited stand cancelled and retired. Further, in terms of the said Scheme of Amalgamation, the shareholders of the KASB Bank Limited, shall receive a compensation / consideration of Rs. 1,000/- for the entire shareholding of the KASB Bank Limited in proportion to their shareholding. The Company has recorded full impairment against its investment in the KASB Bank Limited in the condensed Interim Financial Information 2015.
- 5.2.2 The Company's investment in unquoted shares of Al Jomaih Power Limited valued at its fair value as at period end based on the net assets value of the investee Company as per audited financial statements as at December 31, 2015.

5.2.3 New Horizon Exploration and Production Limited (NHEPL) -(Related party)

Cost

Less: Impairment

31,629 (31,629) 31,629 (31,629)

During 2015, 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 was estimated using "Value in use" approach. In considering the impairment, various business assumptions for estimating cash flows were 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 fully impaired it's investment in NHEPL and an impairment loss of Rs. 31.63 million was recognised in these condensed Interim Financial Information.

5.2.4 Unrealised gain / (loss) on re-measurement of 'available-for-sale' investments -net

| KASB Bank Limited | 5.2.1 | (3,733) | (17,675) |
|-------------------------|-------|---------|----------|
| Al-Jomaih Power Limited | 5.2.2 | | 278,503 |
| | _ | (3,733) | 260,828 |

(h)KASBSECURITIES

| | (L | Jn-audited) | (Au | ıdited) |
|---|-------------------------|-------------------------|-----------------------|-----------------------|
| Note | Septe | ember 30, 2016 | Decemb | er 31, 2015 |
| | Cost | Carrying value | Cost C | arrying value |
| | | (Rupees i | n '000) | ·== |
| 6. SHORT-TERM INVESTMENTS | | | • | |
| 'At fair value through profit or loss' (held for trading) | | | | |
| Agriauto Industries Ltd. Bannu Woolen Mills Ltd. | 6,659 2,040 | 7,253 2,131 | - | - |
| Cherat Cement Company Ltd. Dewan Cement Ltd. D.G. Khan Cement Company Ltd. | 1,128 | 1,859 | 1,600 - 992 | 1,804 - 1,063 |
| Engro Corporation Ltd. Engro Fertilizers Ltd. | 6,161 | 5,796 | 2,122 921 | 2,207 908 |
| Fauji Fertilizers Company Ltd. Glaxo SmithKline Pakistan Ltd. ICI Pakistan Ltd. | 1,717 1,516 9,447 | 1,560 1,511 9,457 | - - | - |
| K-Electric Ltd. Kohat Cement Company Ltd. Lucky Cement Ltd. | 3,457 | 3,318 | 4 993 2,433 | 1,228 2,426 |
| Mari Petroleum Company Ltd. Mughal Iron and Steel Industries Ltd. | 8,395 2,364 | 9,736 2,522 | 5,819 771 | 7,111 697 |
| National Refinery Ltd. Pak Elektron Ltd. Pakistan Oilfields Ltd. | 6,068 | 8,187 | 902 1,458 6,941 | 892 1,345 5,065 |
| Pakistan Petroleum Ltd. Pioneer Cement Ltd. Shifa International Hospital Ltd. | 4,400 2,684 | 4,545 2,970 | 2,407 - | 2,168 |
| Amreli Steels Ltd. Gul Ahmed Textile Mills Ltd. | 1,020 | 1,038 | 619 - 1,013 | 601 |
| Indus Motor Company Ltd. Nishat Power Ltd. Thatta Cement Company Limited | 4,610 2,776 2,820 | 5,776 2,784 3,076 | 1,013 | 1,012 |
| 6.1 | 67,262 | 73,519 | 28,995 | 28,531 |
| Term finance certificates | | | | |
| PACE Pakistan Limited (Face value of Rs. 5,000/- each) | | | | |
| Cost Less: Impairment | 45,369 (45,369) | | 45,369 (45,369) | - |
| 6.2 | 67.262 | _ 73,519 | 28.995 | 28.531 |
| | - 07,202 | = | 20,993 | 20,331 |

- 6.1 This includes shares with carrying value of Rs. 48.30 million which have been pledged with NCCPL (December 31, 2015: Rs. 26 million pledged with PSX) against exposure margin.
- 6.2 The above 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 and accordingly, the purchase cost of TFCs amounts to Rs. 45.37 million and the Company on the basis of prudence, has fully impaired the investment of Rs. 45.37 million as at December 31, 2015.

⊕|**KASB**SECURITIES

| | | Note | (Un-audited) September 30, 2016 | 2015 |
|-----|--|------------|---|------------------------------------|
| 7. | TRADE DEBTS | | (Rupees | in '000) |
| | Receivable against purchase of marketable securities - net of provisions Inter-bank brokerage Fees | 7.1 | 105,487 2,884 937 109,308 | 116,257 4,938 605 121,800 |
| .1 | Considered good | | | |
| | Secured Unsecured | | 69,952 7,651 | 93,403 2,404 |
| | Considered doubtful Provision for doubtful debts | 7.2 | 77,603 145,923 (118,039) | 95,807 138,491 (118,041) |
| '.2 | Reconciliation of provisions against trade debts | | 105,487 | 116,257 |
| .2 | Opening balance Reversal of provision during the period / year | | 118,041 (2) | 119,118 (1,077) |
| | reversal of provision during the period / year | | 118,039 | 118,041 |
| | Suppliers Current portion of long-term loans and advances to empexecutives | loyees and | 2,007 396 | 3,143 1,355 |
| | | | | 3,143 |
| | executives | | 2,403 | 4,498 |
| | Deposits: | | | |
| | Exposure deposit with -PSX Exposure deposit with -NCCPL Exposure deposit with -PMEX Others | 8.1 | 257,222 2,470 2,200 | 121,555 796 832 |
| | Circle | | 261,892 | 123,183 |
| | Prepayments: | | | |
| | Rent Insurance Software development and maintenance Others | | 2,928 247 276 2,069 | 2,929 984 639 1,719 |
| | | | 5,520 | 6,271 |
| | Other receivables: | | | |
| | Dividends Profit on bank deposits Profit on exposure deposit with -PSX Receivable against margin finance Receivable from related party | | 1,000 3,027 1,004 115,187 172 | 3,805 483 60,882 |
| | | | 221 | 200 |
| | Others | | | 209 |
| | Others | | 120,611 390,426 | 65,37 |

8.1 This includes amounts deposited with the Honorable District and Sessions Court Karachi South in the form of Defense Saving Scheme Certificates (DSCs) having face value Rs. 2.1 million and cash Rs. 0.1 million. These DSCs carry yield of 7.34% per annum and will mature in August 2026 (December 31, 2015: Nil).

| Note | (Un-audited) September 30, 2016 | • |
|------|---------------------------------------|----------|
| | ······· (Rupees | in '000) |

9. CASH AND BANK BALANCES

| Company accounts Current accounts Saving accounts | 9.1 | 1,619 147,319 | 4,277 162,896 |
|---|-----------|------------------|------------------|
| Client coccurts | | 148,938 | 167,173 |
| Client accounts | | 400.440 | 40 |
| Current accounts | | 106,149 | 10 |
| Saving accounts | 9.1 | 542,489 | 379,984 |
| | | 648,638 | 379,994 |
| | 9.1 & 9.2 | 797,576 | 547,167 |
| Cash in hand | | 132 | · - |
| Stamps in hand | | 13 | 7 |
| | | 797,721 | 547,174 |
| | | | |

- 9.1 These carry profit at the rates ranging from 2.50% to 5.15% (December 31, 2015: 2.50% to 8.75%) per annum.
- 9.2 This includes Rs. 524.08 million (December 31, 2015: Rs. 392.49 million) with BankIslami Pakistan Limited, the Parent Company.

10. LONG-TERM LOAN

Loan from financial institution

10.1

150,000

150,000

10.1 This represents long-term loan obtained from the Parent Company (BankIslami Pakistan Limited) on December 31, 2015. The loan is secured by way of First Exclusive Charge over all commercial properties of the Company (Musharakah assets). The loan is payable as a bullet payment in December 2020. BIPL is entitled to rental payments for use of musharakah assets. Rental payments are calculated to provide return equal to 3 months KIBOR + 3% per annum payable on quarterly basis from March 2016 to December 2020.

11. TRADE AND OTHER PAYABLES

| 901,723 124,118 25,665 609 792 1,667 | 443,525 73,361 21,948 609 793 1,427 |
|---|--|
| 1,054,574 | 541,663 |
| | 124,118 25,665 609 792 1,667 |

12. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding at period / year end.

| | | | (Un-au | dited) | |
|----|---|-------------|-----------------------|-------------------|--------------|
| | Note | | ths Ended iber 30, | Quarter Septem | |
| | | 2016 | 2015 | 2016 | 2015 |
| _ | | | ···· (Rupees | in '000) | |
| 3. | OPERATING REVENUE | | | | |
| | Brokerage | 161,783 | 190,970 | 56,441 | 82,973 |
| | Subscription research income Custody services | 10 1,531 | 662 1,876 | 518 | 271 1,399 |
| | Financial advisory fee | 500 | - | 500 | 1,000 |
| | | 163,824 | 193,508 | 57,459 | 84,643 |
| 4. | GAIN ON SALE OF INVESTMENTS - NET | | | | |
| | Listed shares | 8,844 | 3,626 | 5,907 | 3,626 |
| | Debt securities | 3,589 | 38,550 | - | 3,586 |
| | Open ended mutual funds | _ | 224 | - | |
| | | 12,433 | 42,400 | 5,907 | 7,212 |
| 5. | UNREALISED GAIN / (LOSS) ON | | | | |
| | RE-MEASUREMENT OF INVESTMENT | 6,257 | (2,793) | 2,860 | (3,000 |
| ŝ. | DIVIDEND INCOME | | | | |
| | Cherat Packaging Ltd. | 18 | - | - | |
| | Cherat Cement Company Ltd. | 40 | - 1 | - | |
| | Crescent Steel and Allied Products Ltd. Engro Fertilizer Ltd. | 15 | | 20 | |
| | Engro Corporation Ltd. | 321 | | 139 | |
| | Fauji Fertilizer Company Ltd. | 23 | _/ | 23 | |
| | Mari Petroleum Company Ltd. | 50 | -41 | 19 | |
| | Pakistan Petroleum Ltd. | 27 | 118 | 1 | 50 |
| | Pakistan Oilfield Ltd. | 782 | 772 | 498 | 483 |
| | Pioneer Cement Ltd. | 82 | - | - | |
| | Shifa International Hospital Al-Jomaih Power Ltdunquoted | 14 | 39,235 | - | 39,23 |
| | Bank Alfalah Ltd. | 30 | 39,233 | - 1 | 39,23 |
| | Indus Motor Company Ltd. | 220 | _ | 180 | |
| | Oil and Gas Development Corporation Ltd. | | 9 | - | |
| | Pakistan Stock Exchange Ltd. | 401 | 601 | - | |
| | Thatta Cement Company Ltd. | 120 | - | 120 | |
| | United Bank Ltd. | _ | 50 | - | 1 |
| | | 2,243 | 40,785 | 1,000 | 39,78 |
| | MARK-UP / PROFIT ON BANK DEPOSITS AND OTHER RECEIVABLES | | | | |
| | Profit on bank deposits | 26,622 | 48,945 | 9,532 | 16,742 |
| | Margin finance income | 7,712 | 351 | 3,445 | 351 |
| | | 34,334 | 49,296 | 12,977 | 17,093 |
| | | -, | | , | |

18. Operating and administrative expenses includes Rs. 19.52 million which relates to share of client in mark-up income earned against their unutilised fund balances in pls bank accounts of KASB Securities Limited -Client account as per the notice no. KSE/N-1479 dated March 17, 2015 of Pakistan Stock Exchange Limited. The gross markup earned is recorded as profit on bank deposits and client share is charged as expense.

| (Un-audited) | | | | |
|--------------------|-----------------------|-------------------|------|--|
| Nine Mon Septem | ths Ended nber 30, | Quarter Septem | | |
| 2016 2015 | | 2016 | 2015 | |
| (Rupees in '000) | | | | |

19. OTHER INCOME

Gain / (loss) on sale of property and equipment Rental income Others

| 250 | (5) | 39 | (22) |
|-------|-------|-----|-------|
| 1,547 | 3,800 | 527 | 1,254 |
| 421 | 597 | 345 | 109 |
| 2,218 | 4,392 | 911 | 1,341 |



(h)KASBSECURITIES

20. 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 September 30, 2016 and December 31, 2015 and transactions with related parties during the nine months ended September 30, 2016 and September 30, 2015 are as follows:

| | As at September 30, 2016 (Un-audited) | | | | | |
|-----------------------------------|---------------------------------------|---------------------------|--------------------------------|--------|---------|--|
| | Parent Company | Subsidiary/ associated | Key management personnel | Others | Total | |
| | | (Rupees in '000) | | | | |
| BALANCES | | | | | | |
| Long-term deposits | - | 142 | • | - | 142 | |
| Trade debts | 45 | 16 | 513 | - | 574 | |
| Profit receivable on bank deposit | 1,717 | | • | - | 1,717 | |
| Receivable against expenses | - | 172 | - | - | 172 | |
| Bank balances | 524,083 | | | - | 524,083 | |
| Trade payables | - | | 4,170 | - | 4,170 | |
| Long-term loan | 150,000 | - | - | - | 150,000 | |
| Payable against expenses | 2,763 | - | - | - | 2,763 | |
| Rent payable | 160 | - | - | - | 160 | |
| Accrued mark-up | 37 | - | - | - | 37 | |
| Loan to staff | - | - | 9 | | 9 | |

| | | As at Dec | ember 31, 2015 (A | udited) | |
|-----------------------------------|-------------------|---------------------------|--------------------------------|---------|---------|
| | Parent Company | Subsidiary/ associated | Key management personnel | Others | Total |
| | | (| (Rupees in '000) | | |
| BALANCES | | | | | |
| 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 |
| Loan to staff | - | = | 1,728 | - | 1,728 |

⊕|KASB SECURITIES

| | For the | e Nine Months E | nded September 3 | 0, 2016 (Un-aud | ited) |
|--|-------------------|---------------------------|--------------------------------|-----------------|--------|
| | Parent Company | Subsidiary/ associated | Key management personnel | Others | Total |
| | | | (Rupees in '000) | | |
| TRANSACTIONS | | | | | |
| Income Brokerage income earned | 343 | | 576 | | 919 |
| Custody services | 4 | 6 | 30 | - | 40 |
| Profit on bank deposits | 16,217 | - | - | - | 16,217 |
| Mark-up on staff loan | - | - | 49 | - | 49 |
| Expenses | | | | | |
| Bank charges | 131 | - | - | - | 131 |
| Charge in respect of contributory plan | - | - | - | 4,397 | 4,397 |
| Mark-up expense | 10,642 | - | - | - | 10,642 |
| Purchase of fixed assets | - | 124 | - | • | 124 |
| Reimbursement of expenses | - | 2 | 5 | - | 7 |
| Remuneration to management personnel | | | 75,109 | • | 75,109 |
| Rent expense | 720 | - | - | - | 720 |
| Other transactions | | | | | |
| Loans disbursed | - | - | 1,000 | - | 1,000 |
| Loans repayment | - | - | 1,716 | = | 1,716 |

| | | | | Key | | |
|--|---------|------------------------|-----|------------------|--------|---------|
| | Parent | Subsidiar associate | - r | management | Others | Total |
| | Company | associate | u | personnel | | |
| | | | (R | upees in '000) - | | |
| TRANSACTIONS | | | (| apees iii doo, | | |
| Income | | | | | | |
| Brokerage income earned | 17 | | | 494 | 63 | 574 |
| Custody services | 4 | 47 | | 38 | - | 89 |
| Profit on bank deposits | 20,425 | | | - | - | 20,425 |
| Rent income | 3,800 | - | | - | - | 3,800 |
| Mark-up on staff loan | - | | | 266 | - | 266 |
| Expenses | | | | | | |
| Bank charges | 48 | • | | - | - | 48 |
| Charge in respect of contributory plan | - | | | - | 4,826 | 4,826 |
| Communication expenses | 824 | 6,092 | | - | - | 6,916 |
| Locker rent | 4 | | | - | - | 4 |
| Mark-up expense | 12,005 | | | - | 493 | 12,498 |
| Reimbursement of expenses | 372 | 925 | | 389 | 13 | 1,699 |
| Remuneration to management personnel | - | | | 128,825 | - | 128,825 |
| Rent expense | 693 | | | - | - | 693 |
| Other transactions | | | | | | |
| Loans repayment | - | | i | 2,908 | - | 2,908 |
| Short-term borrowings | - | | | - | 50,000 | 50,000 |
| Short-term borrowings repayment | - | | | - | 50,000 | 50,000 |

(h)KASBSECURITIES

21. GENERAL

- 21.1 Corresponding figures have been re-arranged and reclassified, wherever necessary, to facilitate comparison. However, there are no material reclassifications to report.
- **21.2** Figures have been rounded off to the nearest thousand of rupees, unless otherwise stated.

22. DATE OF AUTHORISATION

These condensed Interim Financial Information have been authorised for issue by the Board of Directors of the Company on October 24, 2016.



| Sd | Sd |
|----------|-------------------------|
| Chairman | Chief Executive Officer |

(P)KASBSECURITIES

CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION

CONSOLIDATED CONDENSED INTERIM BALANCE SHEET AS AT SEPTEMBER 30, 2016

| | (Un-audited) September 30, 2016 | 2015 |
|--|--|--|
| ASSETS | (Rupees | in '000) |
| | | |
| Non-current assets Property and equipment intangible assets investment properties cong-term investments cong-term loans and advances cong-term deposits and prepayments of the congreter of the congreterm to a congreterm to | 28,998 4,716 5,429 578,300 301 12,952 59,588 | 37,217 4,077 5,646 582,033 448 12,668 51,131 |
| | 090,204 | 693,220 |
| Current assets Short-term investments Trade debts Advances, deposits, prepayments and other receivables Taxation - net Cash and bank balances | 73,519 109,308 390,429 52,696 799,409 | 28,531 121,800 199,336 36,776 549,181 |
| | 1,425,361 | 935,624 |
| TOTAL ASSETS | 2,115,645 | 1,628,844 |
| EQUITY AND LIABILITIES | | |
| Share capital and reserves Issued, subscribed and paid-up capital General reserve Unrealised gain on re-measurement of 'available- -for-sale' investments to fair value - net Accumulated loss | 1,000,000 18,752 390,508 (498,270) 910,990 | 1,000,000 18,752 394,241 (475,990) 937,003 |
| Non-current liabilities | | .= |
| Long-term loan | 150,000 | 150,000 |
| Current liabilities Frade and other payables Accrued mark-up | 1,054,618 37 | 541,804 37 |
| · | 1,054,655 | 541,841 |
| TOTAL EQUITY AND LIABILITIES | 2,115,645 | 1,628,844 |
| CONTINGENCIES AND COMMITMENTS The annexed notes form an integral part of these Consolidated Cor | ndensed Interim Finand | cial Information |
| Sd | S | d |
| | | utive Officer |

CONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2016

| | | onths Ended ember 30, | Quarter Septem | |
|--|----------------|--------------------------|-------------------|-------------|
| | 2016 | 2015 | 2016 | 2015 |
| | | ····· (Rupees ir | า '000) | |
| Operating revenue | 163,824 | 193,508 | 57,459 | 84,643 |
| Net gain on investments 'at fair value | | | | |
| through profit and loss' | | | | |
| Gain on sale of investments - net | 12,433 | 42,400 | 5,907 | 7,212 |
| Unrealised gain / (loss) on re-measurement of investments | | | | |
| 'at fair value through profit and loss' -net | 6,257 | (2,793) | 2,860 | (3,000 |
| | 18,690 | 39,607 | 8,767 | 4,212 |
| Dividend income | 2,243 | 40,785 | 1,000 | 39,788 |
| Mark-up / profit on bank deposits | | | , | , |
| and other receivables | 34,370 | 49,418 | 12,988 | 17,121 |
| | 219,127 | 323,318 | 80,214 | 145,764 |
| Operating and administrative expenses | (234,861) | (332,370) | (70,618) | (114,454 |
| Impairment on long-term investment - Subsidiary | [(20 1,00 1,7 | (486,819) | | (43 |
| Impairment on 'available for sale' investments | - | (53,473) | \ -I | |
| Reversal of provision against doubtful debts | 2 | 1,570 | l - l | 290 |
| | (234,859) | (871,092) | (70,618) | (114,270 |
| Operating (loss) / profit | (15,732) | (547,774) | 9,596 | 31,557 |
| Finance cost | (10,919) | (12,681) | (3,498) | (3,695 |
| | (26,651) | (560,455) | 6,098 | 27,862 |
| Other income | 2.218 | 4,392 | 911 | 1.341 |
| (Loss) / profit before taxation | (24,433) | (556,063) | 7,009 | 29,203 |
| Taxation | | | | |
| Current - for the period | (6,304) | (22,245) | (1,626) | (7,819 |
| Deferred | 8,457 | 16,781 | (663) | 6,482 |
| | 2,153 | (5,464) | (2,289) | (1,337 |
| (Loss) / profit after taxation | (22,280) | (561,527) | 4,720 | 27,866 |
| Other comprehensive (loss) income: Ilem to be reclassified to profit and loss in subsequent period. | e. | | | |
| Unrealised (loss) / gain arising during the period | . | | | |
| on re-measurement of 'available-for-sale' | | | | |
| investments - net | (3,733) | 287,829 | 275 | 15,688 |
| Total comprehensive (loss) / income for the period | (26,013) | (273,698) | 4,995 | 43,554 |
| | | (Rupe | es) | |
| (Loss) / earning per share - basic and diluted | (0.22) | (5.62) | 0,05 | 0.28 |
| (2000) / Garring per share - basic and diluted | | = | | |
| The annexed notes form an integral part of these Cor | nsolidated Cor | ndensed Interim | Financial | Information |
| Sd | | | Sd | |
| | | | Executive | |
| Chairman | | | | |

| FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2016 | Nine Mont Septem | ths Ended ber 30, |
|--|---------------------------------|--------------------------------|
| | 2016 (Rupees | 2015 in '000) |
| CASH FLOW FROM OPERATING ACTIVITIES Loss before taxation | (24,433) | (556,063) |
| Non-cash adjustments to reconcile loss before tax to net cash flows: | | |
| Depreciation Amortisation | 10,952 561 | 12,266 152 |
| Gain on sale of investments - net Gain) / loss on sale of property and equipment Unrealised (gain) / loss on re-measurement of investments | (12,433) (250) | (42,400) |
| 'at fair value through profit or loss' - net mpairment on long-term investment - Subsidiary | (6,257) | 2,793 486,819 |
| mpairment on 'available for sale' investments | | 53,473 |
| Reversal of provision against doubtful debts Finance cost | 10,919 | (1,570) 12,681 |
| Dividend income | (2,243) | (40,785) |
| | 1,247 | 483,434 |
| Norking capital adjustments: | (23,186) | (72,629) |
| Increase) / decrease in current assets | | |
| Frade debts Advances, deposits, prepayments and other receivables | 12,494 (190,094) | (65,017) 78,208 |
| Advances, deposits, prepayments and other receivables | (177,600) | 13,191 |
| ncrease in current liabilities | | |
| Frade and other payables | 512,815 | 77,693 |
| Finance cost paid ncome tax paid | 312,029 (10,919) (22,223) | 18,255 (12,694) (20,684) |
| Net cash flows generated from / (used in) operating activities | 278,887 | (15,123) |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| nvestments 'at fair value through profit or loss' - net Purchase of property and equipment | (26,298) | 42,400 |
| Purchase of property and equipment | (2,650) (1,200) | (1,867) |
| Proceeds from disposal of property and equipment Dividend received | 384 1,243 | 541 40,253 |
| let cash flows (used in) / generated from investing activities | (28,521) | 80,040 |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| ong-term loans and advances | 147 | 3,127 |
| ong-term deposits and prepayments Dividend paid | (284) | 253 (4) |
| Net cash flows (used in) / generated from financing activities | (138) | 3,376 |
| Net increase in cash and cash equivalents | 250,228 | 68,293 |
| Cash and cash equivalents at the beginning of the period | 549,181 | 656,000 |
| Cash and cash equivalents at the end of the period | 799,409 | 724,293 |
| he annexed notes form an integral part of these Consolidated Conde | nsed Interim Financ | cial Information |
| ·Sd | So | d |
| | | |

⊕|KASB SECURITIES

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

| Alance as at September 30, 2015 1,000,000 18,752 (524,598) 421,242 915,396 1,000,000 18,752 (475,990) 394,241 937,003 14al comprehensive loss or the period (22,280) (3,733) (26,013) 1,000,000 18,752 (498,270) 390,508 910,990 | | | | (loss) to | ale' investme o fair value - | |
|--|-------------------------------------|----------------|-------------|---------------|---------------------------------|--------------|
| tal comprehensive loss or the period | | | (R | Rupees in '00 |)0) | |
| re the period - (561,527) 287,829 (273,698) alance as at September 30, 2015 1,000,000 18,752 (524,598) 421,242 915,396 atal comprehensive income or the period - 48,608 (27,001) 21,607 alance as at December 31, 2015 1,000,000 18,752 (475,990) 394,241 937,003 atal comprehensive loss or the period - (22,280) (3,733) (26,013) alance as at September 30, 2016 1,000,000 18,752 (498,270) 390,508 910,990 | ance as at January 01, 2015 | 1,000,000 | 18,752 | 36,929 | 133,413 | 1,189,094 |
| tal comprehensive income or the period | | | - | (561,527) | 287,829 | (273,698) |
| refresher the period 48,608 (27,001) 21,607 (21,607) alance as at December 31, 2015 1,000,000 18,752 (475,990) 394,241 937,003 (26,013) atal comprehensive loss or the period (22,280) (3,733) (26,013) (2 | ance as at September 30, 2015 | 1,000,000 | 18,752 | (524,598) | 421,242 | 915,396 |
| tal comprehensive loss or the period (22,280) (3,733) (26,013) alance as at September 30, 2016 1,000,000 18,752 (498,270) 390,508 910,990 | | - | _ | 48,608 | (27,001) | 21,607 |
| or the period (22,280) (3,733) (26,013) alance as at September 30, 2016 1,000,000 18,752 (498,270) 390,508 910,990 | ance as at December 31, 2015 | 1,000,000 | 18,752 | (475,990) | 394,241 | 937,003 |
| | | | - | (22,280) | (3,733) | (26,013) |
| ne annexed notes form an integral part of these Consolidated Condensed Interim Financial Information. | ance as at September 30, 2016 | 1,000,000 | 18,752 | (498,270) | 390,508 | 910,990 |
| | annexed notes form an integral part | of these Conso | lidated Con | densed Interi | im Financial | Information. |
| | | | | | | |
| | | | | | | |

| Sd | Sd |
|----------|-------------------------|
| Chairman | Chief Executive Officer |

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

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2016

1. STATUS AND NATURE OF BUSINESS

The Group comprises of:

Holding company

- KASB Securities Limited

Subsidiary company

- Structured Venture (Private) Limited (SVPL)
- 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 Group 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 Holding Company is a TREC holder of the Pakistan Stock Exchange Limited (PSX) and Corporate Member of Pakistan Mercantile Exchange Limited (PMEX) 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 Company) 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 nine months ended September 30, 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 condensed Interim Financial Information are consistent with those followed in the preparation of the Group consolidated annual published Financial Statements 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 Statements 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.

(h)KASBSECURITIES

6. GENERAL

- 6.1 Corresponding figures have been re-arranged and reclassified, wherever necessary, to facilitate comparison. However, there are no material reclassifications to report.
- 6.2 Figures have been rounded off to the nearest thousand of rupees, unless otherwise stated.

7. DATE OF AUTHORISATION

These consolidated condensed Interim Financial Information have been authorised for issue by the Board of Directors of the Group on October 24, 2016.



| Sd | Sd |
|----------|-------------------------|
| Chairman | Chief Executive Officer |

(B) KASB DIRECT

TRADE EASY

To facilitate you better, we announce the KASB DIRECT smart phone **APPLICATION** which enables you to trade from anywhere and everywhere!





Investing Can Be Quite Like Street Cricket

The play is on, even when improperly equipped. The batter aimlessly swings and the ball smashes a window pane, bounces off the crooked walls and hides between parked cars. There are some crazy run-outs too!

Not so with KASB Securities. We are trained to play each delivery on its merit, know exactly how to defend, where to place and when to hit.

Fully equipped, we have a game plan and know the playing field. Let's Play!

• Research • Equities • Commodities • Investment Banking • Forex • Fixed Income



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