

Revised Independent Auditors Report on Statement of Net Capital Balance of Securities Brokers / Brokerage House.
To the Board of Directors of 128 Securities (Private) Limited

We have audited the accompanying Statement of Net Capital Balance of 128 Securities (Private) Limited as at 31 December 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 and 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 128 Securities (Private) Limited as at 31 December 2016 is prepared, in all material respects, in accordance with SEC Rules 1971 and Regulations.

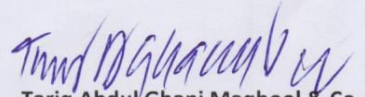
Emphasis of Matter Paragraph

Without modifying our opinion, we draw attention to the fact that revision have been made in the Net Capital Balance Statement due to the correction of the certain disclosures. This report supersedes the previously issued auditors' report on "Net Capital Balance" as at 31 December 2016 dated 14 March 2017.

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 128 Securities (Private) 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 128 Securities (Private) Limited and SECP and should not be distributed to parties other than 128 Securities (Private) Limited or SECP.

01 August 2016
 Lahore.



Tariq Abdul Ghani Maqbool & Co.
Chartered Accountants
Shahid Mehmood

128 SECURITIES (PRIVATE) LIMITED
MEMBER PAKISTAN STOCK EXCHANGE LIMITED
STATEMENT OF NET CAPITAL BALANCE AS AT 31 DECEMBER 2016 (REVISED)

(Excess of Current assets Over Current Liabilities determined in accordance with third schedule of Securities and Exchange Rules, 1971)

| <u>DESCRIPTION</u> | <u>VALUATION BASIS</u> | <u>PREVIOUSLY REPORTED</u> | | <u>REVISED</u> | | <u>DIFFERENCE</u> |
|---|--|--------------------------------|-------------------|--------------------------------|-------------------|--------------------------------|
| | | <u>AMOUNT</u> <u>RUPEES</u> | | <u>AMOUNT</u> <u>RUPEES</u> | | <u>AMOUNT</u> <u>RUPEES</u> |
| <u>CURRENT ASSETS</u> | | | | | | |
| Cash in hand | | | 348,807 | | 348,807 | |
| Cash at bank | As per Book Value | | | | | |
| - Pertaining to house account | | 3,991,870 | | 3,991,870 | | |
| - Pertaining to client account | | 19,917,336 | 23,909,206 | 19,917,336 | 23,909,206 | |
| Deposit against exposures | | | 6,100,000 | | 6,100,000 | |
| Trade Receivable | Book Value | 20,154,902 | | 20,154,902 | | |
| | Less Overdue For more than 14 days | 11,868,272 | 8,286,630 | 18,115,249 | 2,039,653 | (6,246,977) |
| Other Receivable | Book Value | | - | | - | |
| Investment in Listed Securities/Commodity future Contracts in the name of broker | Securities/Contract on the exposure List marked on the market Less 15% Discount | 7,781,669 | 6,614,419 | 7,781,669 | 6,614,419 | |
| | | 1,167,250 | | 1,167,250 | | |
| Securities Purchased for clients | Securities Purchased for clients and held by the member where the payment has not been received within 14 days | | 3,840,477 | | 3,840,477 | |
| Investment in Shares | As per book Value Securitis appearing and owned by brokerage | | - | | - | |
| Securities Purchased under Resale obligation | | | | | | |
| Listed TFCs/Corporate Bonds/ other of not less than BBB grade assigned by a credit rating Company on Pakistan | Marked to Market Less 10% Discount | | Nil | | Nil | |
| Pakistan Investment Bonds | Marked to Market Less 5% Discount | | Nil | | Nil | |
| Total Current Assets | | | 49,099,539 | | 42,852,562 | |
| <u>CURRENT LIABILITIES</u> | | | | | | |
| Securities sold under Repurchase Agreements | As per Book Value | | Nil | | Nil | |
| Trade Payables | Book Value | 39,797,337 | | 32,413,785 | | |
| | Less: More than 30 days payable | 15,046,352 | 24,750,985 | 15,046,352 | 24,750,985 | |
| Other Liabilities | As Classified under the Generally Accepted Accounting principles | | 15,917,289 | | 15,917,289 | |
| Total Current Liabilities | | | 40,668,274 | | 40,668,274 | |
| NET CAPITAL BALANCE AS AT 31 DECEMBER 2016 | | | 8,431,265 | | 2,184,288 | |

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128 SECURITIES (PRIVATE) LIMITED
MEMBER PAKISTAN STOCK EXCHANGE LIMITED
EXPLANATORY NOTES TO THE NET CAPITAL BALANCE AS AT 31 December 2016 (REVISED)

1 This Statement of Net Capital Balance has been prepared in accordance with the requirements of the Third Schedule read with Rule 2(d) of the Securities and Exchange Commission (SEC) Rules 1971 and the Securities Brokers (Licensing and Operations) Regulations 2016 (Regulations) and the Clarifications / Guidelines in respect of Third Schedule of Securities and Exchange (SEC) Rules 1971 issued by Securities and Exchange Commission of Pakistan.

2 INVESTMENT IN LISTED SECURITIES

| Sr. No. | Name of Security | No. of Shares | Rate | Amount Rs. |
|---------|---------------------------------|----------------|--------|------------------|
| | | A | B | C = A x B |
| 1 | NIB BANK LIMITED | 300,000 | 1.81 | 543,000 |
| 2 | BYCO PETROLEUM PAKISTAN LIMITED | 50,000 | 23.20 | 1,160,000 |
| 3 | TREET CORPORATION LIMITED | 55,000 | 65.38 | 3,595,900 |
| 4 | PACE PAKISTAN LIMITED | 100,000 | 11.28 | 1,128,000 |
| 5 | QUICE FOOD INDUSTRIES | 150,000 | 9.01 | 1,351,500 |
| 6 | SEARLE PAKISTAN | 5 | 653.79 | 3,269 |
| | | 655,005 | | 7,781,669 |

3 TRADE RECEIVABLES

| | <u>PREVIOUSLY REPORTED</u> | <u>REVISED</u> | <u>DIFFERENCE</u> |
|----------------------------------|--------------------------------|------------------|-------------------|
| Receivable from NCCPL | 306,062 | 306,062 | - |
| Sundry debtors | 19,848,840 | 19,848,840 | - |
| Less: over due more than 14 days | 11,868,272 | 18,115,249 | (6,246,977) |
| | 8,286,630 | 2,039,653 | 6,246,977 |

4 TRADE PAYABLES

| | | | |
|---------------------------------|-------------------|-------------------|---|
| Payable to NCCPL | 7,383,552 | 7,383,552 | - |
| Sundry Creditors | 32,413,785 | 32,413,785 | - |
| Less: payable more than 30 days | 15,046,352 | 15,046,352 | - |
| | 24,750,985 | 24,750,985 | - |

5 OTHER LIABILITIES

| | | | |
|---------------------------|-------------------|-------------------|---|
| Federal Exise Duty | 273,072 | 273,072 | - |
| Provision for taxation | 26,592 | 26,592 | - |
| CDC Client A/C | 6,525 | 6,525 | - |
| Tax Payable | 34,312 | 34,312 | - |
| Client taxes | 114,004 | 114,004 | - |
| With holding tax | 1,200 | 1,200 | - |
| Other Payable | 415,233 | 415,233 | - |
| Payable more than 30 days | 15,046,352 | 15,046,352 | - |
| | 15,917,289 | 15,917,289 | - |

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