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Auditors' Report to the Chief Executive of Global Securities Pakistan Limited

Introduction

We have audited the accompanying Statement of Net Capital Balance ("the Statement") of **Global Securities Pakistan Limited** as at 30 June 2012. The Statement has been prepared in accordance with the Rule 2(d) of, and Third Schedule to the Securities and Exchange Rules, 1971. Management is responsible for the preparation and presentation of this Statement. Our responsibility is to express an opinion on the Statement based on our audit.

Scope of Audit

We conducted our audit in accordance with Auditing Standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement. An audit also includes examining on test basis evidence supporting the amounts and disclosures in the Statement. An audit also includes assessing the compliance by the management with the provisions of relevant rules for preparation of the Statement. We believe that our audit provides reasonable basis for our opinion.

Conclusion

In our opinion, the Statement gives a true and fair view of the net capital balance of the Company as at 30 June 2012 in accordance with Rule 2(d) of, and Third Schedule to the Securities and Exchange Rules, 1971.

Restriction on Use and Distribution

The report is intended solely for the Company for the purpose of onward submission to Karachi Stock Exchange (Guarantee) Limited and Securities and Exchange Commission of Pakistan and should not be distributed to or used by parties other than the Company, Karachi Stock Exchange (Guarantee) Limited and Securities and Exchange Commission of Pakistan.

Date: 14 September 2012

Karachi

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GLOBAL SECURITIES PAKISTAN LIMITED
STATEMENT OF NET CAPITAL BALANCE AS AT 30 June 2012

DESCRIPTION	VALUATION BASIS	VALUE (Rs in "000")
Current Assets		
<i>Cash & Bank Balances</i>	As per Book Value	15,120
<i>Trade Receivables</i>	Book Value	129,253
	Provision for doubtful debt	(16,335)
	Less: Overdue for more than 14 days	(51,936)
	Book Value less overdue for more than 14 days	60,982
<i>Short Term Investment</i>	Fair value less 15% discount	943
	Less: 15% discount	(141)
		802
<i>Securities Purchased for client</i>		48,553
Other Current Assets		
<i>Interest Accrued</i>	As per Book Value	18
<i>Advances, deposits, prepayments and other receivables</i>	As per Book Value	26,230
	Deposits and Prepayments	17,817
	Income tax refundable	520
	Other Receivable	9,454
	Loan and Advance	6,870
	Advance taxation	60,891
Total Current Assets		186,366
Current Liabilities		
<i>Trade Payables</i>	As per book value	44,038
	Less: Overdue for more than 30 days	(7,222)
	Book Value less overdue for more than 30 days	36,816
Other Current Liabilities		
<i>Provision for Taxation</i>	As per Book Value	2,534
<i>Accrued expense</i>	As per Book Value	2,508
<i>Tax deducted at source</i>	As per Book Value	889
<i>Running finance under mark up arrangement</i>	As per Book Value	87,574
<i>Accrued mark-up</i>	As per Book Value	6,850
<i>Payable to staff retirement fund</i>	As per Book Value	286
<i>Other</i>	As per Book Value	83
		100,724
Contingences liabilities	As per Book Value	-
Total Current Liabilities		137,540
Net capital balance as at 30 June 2012		48,826

This statement should be read in conjunction with the auditors report dated 14 SEP 2012

Note: The Third Schedule to the Securities and Exchange Rules, 1971 "Requirements for calculation of Net Capital for purpose of Rule 2(d)", provides that " Current assets and current liabilities in relation to the member of a Stock Exchange for the purpose of Net Capital shall be determined by accounting for the current assets and current liabilities". Accordingly, for the purpose of determining the "Net Capital" all the current assets and current liabilities of the Company, including advances, deposits, prepayments and other receivables have been taken into consideration.



M. Amin
 Chief Executive Officer

