



**MGM SECURITIES (Pvt.) LTD.**  
Trading Right Entitlement Certificate (TREC) Holder  
Pakistan Stock Exchange Limited

Dated: 15<sup>th</sup> September 2016  
Our Ref: MGM/2016/NCB/01

*etc*

The In-charge,  
Lahore Office,  
National Clearing Company of Pakistan Limited  
Pakistan Stock Exchange Building,  
Lahore.

Subject: Submission of Certificate of Net Capital Balance

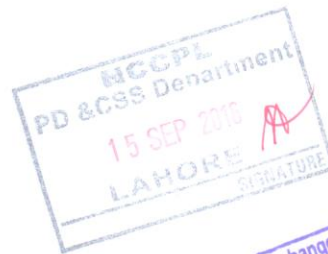
Dear Sir,

We are enclosing an original copy of Net Capital Balance (NCB) Certificate amounting Rs.22,944,305/- (Rupees Twenty Two Million Nine Hundred Forty Four Thousand Three Hundred and Five only) duly audited by M/s Tariq Abdul Ghani Maqbool & Co., as on dated 30<sup>th</sup> June 2016.

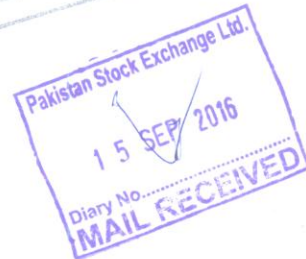
Kindly incorporate the above NCB figure in your record.

Thanking you,

Yours truly,



Syed Hassan Iqbal  
Director  
MGM Securities (Pvt.) Ltd.



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Liaquat Bazar, Faisalabd.  
Phone: 041-2601994-7

Ref: TAGM20160910-04

The Secretary  
Pakistan Stock Exchange Limited  
Lahore

Dear Sir

**PRACTICING MEMBERS' CERTIFICATE ON NET CAPITAL BALANCE AS REQUIRED BY CLAUSE 19.3.2 OF PAKISTAN STOCK EXCHANGE LIMITED REGULATIONS (HEREIN AFTER REFERRED AS "PSX REGULATIONS") AND DEFINED UNDER RULE 2(D) OF THIRD SCHEDULE OF THE SECURITIES AND EXCHANGE RULES, 1971.**

We have been requested to provide you with a certificate on the annexed statement of Net Capital Balance of "MGM Securities (Private) Limited" as at 30 June 2016, as defined under Rule 2(D) of Third Schedule of The Securities and Exchange Rules, 1971 and in line with the aforesaid clarification/guidelines issued by the Commission.

**Scope of Certificate**

Practicing members' Certificate on Net Capital Balance as required by clause 19.3.2 of PSX Regulations and defined under rule 2(d) of Third Schedule of The Securities and Exchange Rules, 1971 and in line with the aforesaid clarification/guidelines issued by the Commission.

**Management Responsibility**

It is the responsibility of the management to establish and maintain a system of internal controls and prepare and presents a statement for "Net Capital Balance" as at 30 June 2016 in compliance with the Rule 2(D) of Third Schedule of The Securities and Exchange Rules, 1971 and in line with the aforesaid clarification/guidelines issued by the Commission.

**Practicing Member/ Auditor's Responsibility**

Our responsibility is to certify the compliance of the requirement of Rule 2(D) of Third Schedule of The Securities and Exchange Rules, 1971 in accordance with the 'Guidelines for Issue of Certificates for Special Purpose by Practicing Chartered Accountant Firms' issued by the Institute of Chartered Accountants of Pakistan. Our verification was limited to the procedures and verification of information/documents as mentioned below:

- a) We obtained bank statements, cash certificates, CDC reports for investments in listed securities, ledger accounts, other information, explanations and workings which to the best of our knowledge and belief, were necessary for the purpose of our verification.
- b) Appropriate verification procedures were performed to enable us to issue the required certificate.

**Certificate**

Based on procedures mentioned above, we certify that the Net Capital Balance of "MGM Securities (Private) Limited", as defined under Rule 2(d) of Third Schedule of the Securities and Exchange Rules, 1971 amounted to Rs. 22,944,305/- (Rupees Twenty two million, nine hundred and forty four thousand, three hundred and five only) as at 30 June 2016.

**Restriction on use and distribution**

This certificate is issued as required under clause 19.3.2 of the PSX Regulations and defined under Rule 2(D) of Third Schedule of The Securities and Exchange Rules, 1971 and is not to be used or distributed for any other purpose. This certificate is restricted to the facts stated herein and the attachments.

Truly Yours

  
Tariq Abdul Ghani Maqbool & Co.  
Chartered Accountants  
Shahid Mehmood

Lahore  
10 September 2016



# MGM SECURITIES (Pvt.) LTD.

Trading Right Entitlement Certificate (TREC) Holder  
Pakistan Stock Exchange Limited

MGM SECURITIES (PVT.) LIMITED  
MEMBER PAKISTAN STOCK EXCHANGE LIMITED  
STATEMENT OF NET CAPITAL BALANCE AS AT 30 JUNE 2016  
(Excess of Current assets Over Current Liabilities determined in accordance with third schedule of Securities and Exchange Rules, 1971)

DESCRIPTION	VALUATION BASIS	AMOUNT RUPEES
<b>CURRENT ASSETS</b>		
Cash in hand		13,429
Cash at bank	As per Book Value	
- Pertaining to house account		9,656,642
- Pertaining to client account		37,135,331
		46,791,973
Deposit against Exposure		7,000,000
Trade Receivable	Book Value	5,773,516
	Less Overdue For more than 14 days	2,503,015
		3,270,501
Other Receivable	Book Value	Nil
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	3,311,630 496,745
		2,814,886
Securities Purchased for clients	Securities Purchased for clients and held by the member where the payment has not been received within 14 days	
Investment in Shares	As per book Value Securities 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
Pakistan Investment Bonds	Marked to Market Less 5% Discount	Nil
<b>Total Current Assets</b>		<b>59,890,788</b>
<b>CURRENT LIABILITIES</b>		
Securities sold under Repurchase Agreements	As per Book Value	Nil
Trade Payables	Book Value Less: More than 30 days payable	34,340,772 10,212,380
		24,128,392
Other Liabilities	As Classified under the Generally Accepted Accounting principles	12,818,091
<b>Total Current Liabilities</b>		<b>36,946,483</b>
<b>NET CAPITAL BALANCE AS AT 30 JUNE 2016</b>		<b>22,944,305</b>

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CHIEF EXECUTIVE



DIRECTOR

MGM SECURITIES (PRIVATE) LIMITED  
MEMBER PAKISTAN STOCK EXCHANGE LIMITED  
EXPLANATORY NOTES TO THE NET CAPITAL BALANCE AS AT 30 JUNE 2016

**1 INVESTMENT IN LISTED SECURITIES**

Sr. No.	Name of Security	No. of Shares	Rate	Amount Rs.
		A	B	C = A x B
1	The Bank Of Punjab Limited	89,500	8.04	719,580
2	Dewaan Cement Limited	35,000	14.48	506,800
3	Mughal Iron and Steel Industries Limited	20,000	67.19	1,343,800
4	Treet Corporation Limited	15,000	49.43	741,450
				<b>3,311,630</b>

**2 TRADE RECEIVABLES**

Receivable from NCCPL	
Sundry debtors	5,773,516
Less: over due more than 14 days	2,503,015
	<b>3,270,501</b>

**3 TRADE PAYABLES**

Payable to NCCPL	1,191,697.56
Sundry Creditors	33,149,074.44
Less: payable more than 30 days	10,212,380.00
	<b>24,128,392.00</b>

**4 OTHER LIABILITIES**

Curret portion of non-current liabilities	
Other payables	489,876
Provision for taxation	1,093,650
Payable more than 30 days	1,022,185
	10,212,380
	<b>12,818,091</b>

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