



# MGM SECURITIES (Pvt.) LTD.

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

Dated: 14<sup>th</sup> March 2016  
Our Ref. MGM/2016/PSE/009

O/K

Mr. Tanzeel ul Rehman  
Senior Manager – Operation,  
Pakistan Stock Exchange Ltd,  
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.21,837,327/- (Rupees Twenty One Million Eight Hundred Thirty Seven Three Hundred and Twenty Seven only) duly audited by M/s Tariq Abdul Ghani Maqbool & Co., as on dated 31<sup>st</sup> December 2015.

The details of the allocation of the utilization of the above mentioned Net Capital Balance (NCB) is given bellow:


\* Pakistan Stock Exchange Limited (PSX) Rs. 21,837,327/-

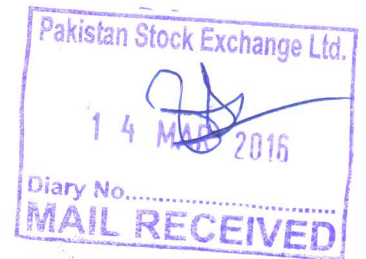
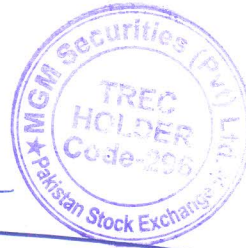
**Total : Rs. 21,837,327**

Kindly incorporate the above NCB figure in your record.

Thanking you,

Yours truly,

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



#### HEAD OFFICE:

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Lahore Stock Exchange Building,  
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mgmsecurities@yahoo.com  
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#### FAISALABAD

Room No. 522, 5th Floor,  
State Life Building,  
Liaquat Bazar, Faisalabad.  
Phone: 041-2601994-7

Ref: TAGM20160309

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 for the period ended 31 December 2015, 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" for the period ended 31 December 2015 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 Purposes 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. 21,837,327/- (Rupees Twenty one million, eight hundred and thirty seven thousand, three hundred and twenty seven only) as at 31 December 2015.

**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  
09 March 2016

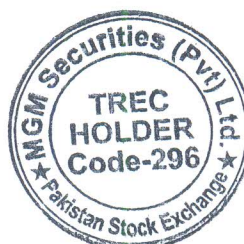
**MGM SECURITIES (PRIVATE) LIMITED**  
**MEMBER PAKISTAN STOCK EXCHANGE LIMITED**  
**STATEMENT OF NET CAPITAL BALANCE AS AT 31 DECEMBER 2015**

(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>AMOUNT</u> <u>RUPEES</u>
<b><u>CURRENT ASSETS</u></b>		
Cash in hand		13,429
Cash at bank	As per Book Value	
- Pertaining to house account	9,855,166	
- Pertaining to client account	<u>34,298,701</u>	44,153,867
Trade Receivable	Book Value	8,697,250 ✓
	Less Overdue For more than 14 days	<u>3,740,120</u> ✓
		4,957,130 ✓
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	2,438,455 <u>365,768</u>
		2,072,687
Securities Purchased for clients	Securities Purchased for clients and held by the member where the payment has not been received within 14 days	Nil
Fund Placement	As per book Value	Nil
Securities Purchased under Resale obligation		Nil
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 <span style="float: right;">50</span>
<b>Total Current Assets</b>		<b>51,197,113</b>
<b><u>CURRENT LIABILITIES</u></b>		
Securities sold under Repurchase Agreements	As per Book Value	Nil
Trade Payables	Book Value	28,213,165
	Less: More than 30 days payable	<u>8,762,049</u>
		19,451,116
Other Liabilities	As Classified under the Generally Accepted Accounting principles	9,908,670
<b>Total Current Liabilities</b>		<b>29,359,786</b>
<b>NET CAPITAL BALANCE AS AT 31 DECEMBER 2015</b>		<b>21,837,327</b>

09 MARCH 2016

CHIEF EXECUTIVE



DIRECTOR