



MGM SECURITIES (Pvt.) LTD.

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

Dated : 08th March 2021

The Manager,
National Clearing Company of Pakistan Limited
Pakistan Stock Exchange.

Subject: **Audited Report of Net Capital Balance As on 31-12-2020**

Dear Sir,

Enclosed please find herewith Audited Net Capital Balance Report as on 31st Dec 2020 for your information and further necessary action.

Assure you of our best attention always.

Thanking you,

Yours truly,

Syed Hassan Iqbal
Director
MGM Securities Pvt. Limited



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Independent Auditors Review Report on Statement of Net Capital Balance
The Chief Executive Officer of **MGM Securities (Private) Limited**

Introduction

We have reviewed the accompanying Statement of Net Capital Balance of **M/s. MGM Securities (Private) Limited** (*the Securities Broker*) as at **December 31, 2020** and notes to the Statement of Net Capital Balance (*here-in-after referred to as the 'the statement'*). Management is responsible for the preparation of the statement in accordance with the requirements of the Second Schedule of the Securities Brokers (*Licensing and Operations*) Regulations, 2016 (*the Regulations*) issued by the Securities & Exchange Commission of Pakistan (*SECP*). Our responsibility is to express a conclusion on the statement based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, 'Review of Interim Financial Information Performed by the independent Auditor of the Entity' which applies to review of historical financial information performed by the independent auditor of the Securities Broker. A review of historical financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

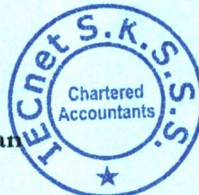
Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying statement is not prepared, in all material respects, in accordance with the requirements of Second Schedule of the Regulations.

Other Matter - Restriction on Distribution and Use

We draw attention to Note No.1 to the statement which describes its basis of preparation . It further states that our report is intended solely for **M/s. MGM Securities (Private) Limited** (*the Securities Broker*), *SECP, Pakistan Stock Exchange and National Clearing Company of Pakistan Limited* and should not be distributed to any other parties. Our conclusion is not modified in respect of this matter.

Mr. Muhammad Aslam Khan
IECnet S.K.S.S.S.
Chartered Accountants
Lahore



Date: March 05, 2021

MGM SECURITIES (PRIVATE) LIMITED

STATEMENT OF NET CAPITAL BALANCE AS AT DECEMBER 31, 2020

Excess of Current Assets over Current Liabilities Determined In Accordance With The Third Schedule of Securities And Exchange Rule, 1971 Read With SECP Guidelines.

A.	<u>Description of Current Assets</u>	<u>Basis of Accounting</u>	Notes	<u>Amount</u> (Rupees)
1	Cash in hand & Cash in bank Cash in hand Cash at bank-House Account Cash at bank-Client Account	As per book value.	2	11,394 27,391,271 37,495,271 64,897,936
2	Margin deposits			34,100,000
3	Receivable From NCCPL			16,402,486
4	Trade receivables-Clients Less: Outstanding for more than 14 days	Book value less those overdue for more than 14 days.		3,010,083 (2,662,782) 347,301
5	Investment in listed securities in the name of company	Securities on the Exposure List to Market less 15 % discount.		-
6	Securities purchase for client			2,258,424
				118,006,147
B. <u>Description of Current Liabilities</u>				
1	Trade payables Less: Overdue more than 30 days	Book value less those overdue for more than 30 days.		65,242,871 (27,051,995) 38,190,876
2	Other liabilities	As classified under the Generally Accepted Accounting Principles.	3	28,612,694
				66,803,570
	NET CAPITAL BALANCE			51,202,577


Chief Executive




Director

MGM SECURITIES (PRIVATE) LIMITED
TREC HOLDER PAKISTAN STOCK EXCHANGE LIMITED
EXPLANATORY NOTES TO THE NET CAPITAL BALANCE AS AT DECEMBER 31, 2020

1 BASIS OF ACCOUNTING


This statement of Net Capital Balance (the statement) has been prepared and presented in accordance with the requirements of Regulation 6(3) of Securities Brokers (Licensing and Operations) Regulations, 2016, Schedule II to the said regulation as well as the clarifications with respect to computation of net capital balance issued by the securities and exchange commission of Pakistan (SECP) from time to time. The statement has been prepared solely to assist M/s MGM Securities (Private) Limited in meeting its reporting requirements under the aforesaid regulation and, thus, is for sole use of the SECP, Pakistan Stock Exchange Limited (PSX) and National Clearing Company of Pakistan Limited (NCCPL). Accordingly, the statement is not suitable for, and should not be used for, any other purpose.

2 CASH IN HAND AND AT BANK

	TOTAL (Rupees)
Cash in hand	11,394
Bank balance(s) pertaining to Brokerage House	27,391,271
Bank balance(s) pertaining to Clients	37,495,271
	64,897,936

3 OTHER LIABILITIES

Trade Payable Overdue More Than 30 Days	27,051,995
Staff welfare fund	245,443
Provision For Taxation	343,772
Auditor's remuneration payable	52,518
Taxes Payables	565,169
Worker welfare fund -Punjab	140,598
Accrued Charges And Other Liabilities	213,199
	28,612,694



 Chief Executive





 Director