

Date: 7 SEPTEMBER, 2016

The Company Secretary
Nael Capital (Private) Limited
Karachi

Dear Sir,

CERTIFICATE ON NET CAPITAL BALANCE CERTIFICATE AS REQUIRED UNDER SECURITIES AND EXCHANGE RULES 1971

We have been requested to provide you with a certificate on the annexed Net Capital Balance Certificate of Nael Capital (Private) Limited as at June 30, 2016, in accordance with the Rule 2(d) of, and Third Schedule to the Securities and Exchange Rules 1971.

Scope of Certificate

The Net capital balance certificate is the regulatory compliance for the broker of stock exchanges and prepared in accordance with the Rule 2(d) of, and Third Schedule to the Securities and Exchange Rules 1971.

Management Responsibility

It is the management responsibility to prepare the Net Capital Balance statement as at June 30, 2016 in accordance with the Rule 2(d) of, and Third Schedule to the Securities and Exchange Rules 1971.

Practicing Member/ Auditor's Responsibility

Our responsibility is to certify the compliance of the requirement of net capital balance in accordance with Rule 2(d) of, and Third Schedule to the Securities and Exchange Rules 1971 and 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 as mentioned below:

- a) Review the bank balances from the bank book and bank statement and review the reconciliation of differences to ensure that there are no long outstanding or unusual items.
- b) Inquire if the cash in hand balance is unusual and review it from record.
- c) Review the certificates issued by PSX and NCCPL and for margin and other deposits.
- d) Review customer ledgers with supports of payments and transactions on sample to ensure that the aging of receivables is properly prepared.

- e) Review the statement of securities on sample basis from back office and CDC statements that are held on behalf of client whose balances are overdue for more than 14 days.
- f) Review the CDC statement of House account for investments made by brokerage house.
- g) Verify the other investments held by brokerage house from trial balance and supporting documents.
- h) Review customer ledgers with supports of payments and transactions on sample to ensure that the aging of payables is properly prepared.
- i) Review other liabilities from trial balance and supporting documents.

Certificate

Based on procedures mentioned above, we certify that the Net Capital Balance of **M/s. Nael Capital (Private) Limited**, Corporate TRE Certificate Holder of Pakistan Stock Exchange Limited, as defines under Rule 2(d) of, and Third Schedule to the Securities and Exchange Rules 1971, amounted to **Rs. 12,310,057** /- as at June 30th, 2016.

Restriction on use and distribution

This certificate is issued in relation to fulfill the regulatory requirement of the company and is not to be used or distributed for any other purpose. This certificate is restricted to the facts stated herein and the attachments.

Yours truly

Umy Hassan Naeem Co

Chartered Accountants
Karachi



NAEL CAPITAL (PRIVATE) LIMITED
NET CAPITAL BALANCE AS AT June 30, 2016

DESCRIPTION	VALUATION BASIS		Rupees VALUE
CURRENT ASSETS			
Cash in hand	As per book value		8,620
Cash at bank	Bank balances pertaining to brokerage house	2,352,547	
	Bank balances pertaining to client	9,298,826	
	Total bank balances		11,651,373
Deposits against exposure and losses with Karachi Stock Exchange	As per book value		10,139,800
Trade Receivable	Book Value	5,520,806	
	Less: overdue for more than 14 days	(3,820,194)	
	Book Value less Overdue for more than 14 days		1,700,613
Investment in Listed Securities in the name of broker	Market value	907,250	
	Less: 15% discount	(136,088)	
			771,163
Securities purchased for client	Securities purchased for the client and held by the member where the payment has not been received within 14 days.		157,397
Listed Term Finance Certificates/Corporate Bonds (Not less than BBB grade)	Market value	-	
	Less: 10% discount	-	
			-
Federal Investment Bonds	Market value	-	
	Less: 15% discount	-	
			-
Treasury bills	Market value	-	
			-
			24,428,965
CURRENT LIABILITIES			
Trade Payable	Book value	9,298,826	
	Less: Overdue for more than 30 days	(6,511,814)	
			2,787,012
Other liabilities	Overdue for more than 30 days	6,511,814	
	As classified under the generally accepted accounting principles.	2,820,082	
			9,331,896
			12,310,057

NET CAPITAL AS AT 30th June 2016


 CHIEF EXECUTIVE

