

FAIRTRADE CAPITAL SECURITIES (PRIVATE) LIMITED

*NET CAPITAL BALANCE CERTIFICATE
FOR THE
YEAR ENDED 30 JUNE 2016*

Ref: TAGM20160910-08

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 "Fairtrade Capital 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 "Fairtrade Capital Securities (Private) Limited", as defined under Rule 2(d) of Third Schedule of the Securities and Exchange Rules, 1971 amounted to Rs. 23,731,482/- (Rupees Twenty three million, seven hundred and thirty one thousand, four hundred and eighty two 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



Fairtrade Capital Securities (Pvt) Ltd.

TREC HOLDER: The Karachi Stock Exchange Limited

FAIRTRADE CAPITAL 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)

<u>DESCRIPTION</u>	<u>VALUATION BASIS</u>	<u>AMOUNT</u> <u>RUPEES</u>
CURRENT ASSETS		
Cash in hand		11,070
Cash at bank	As per Book Value	
- Pertaining to house account		359,375
- Pertaining to client account		<u>3,892,202</u>
		4,251,577
Deposit against Exposure		22,486,000
Trade Receivable	Book Value	11,087,111
	Less Overdue For more than 14 days	<u>773,700</u>
		10,313,411
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	16,828,513 <u>2,524,277</u>
		14,304,236
Securities Purchased for clients	Securities Purchased for clients and held by the member where the payment has not been received within 14 days	- 678,398
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
Total Current Assets		52,044,692
CURRENT LIABILITIES		
Securities sold under Repurchase Agreements	As per Book Value	Nil
Trade Payables	Book Value Less: More than 30 days payable	23,548,624 <u>3,869,600</u>
		19,679,024
Other Liabilities	As Classified under the Generally Accepted Accounting principles	8,634,186
Total Current Liabilities		28,313,210
NET CAPITAL BALANCE AS AT 30 JUNE 2016		23,731,482



CHIEF EXECUTIVE

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FAIRTRADE CAPITAL 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
		A	B	C = A x B
1	Askari Commercial Bank Limited	30,000	18.68	560,400
2	Bank Alfalah Limited	110,500	25.57	2,825,485
3	Gener Tech Pak Limited	20,500	0.89	18,245
4	Liberty Mills Limited	18	260.00	4,680
5	MCB Bank Limited	31,000	220.02	6,820,620
6	National Bank of Pakistan	98,398	57.81	5,688,388
7	Descon Chemicals Limited	100,000	9.01	901,000
8	Islamic Mudarabah	2,000	4.00	8,000
9	Progressive Investment Limited	1,500	1.13	1,695
				16,828,513

2 TRADE RECEIVABLES

Receivable from NCCPL	-
Sundry debtors	11,087,111
Less: over due more than 14 days	773,700
	10,313,411

3 TRADE PAYABLES

Payable to NCCPL	2,956,568
Sundry Creditors	20,592,056
Less: payable more than 30 days	3,869,600
	19,679,024

4 OTHER LIABILITIES

Accrued expenses	4,531,211
Withholding tax payable	134,202
Advances to employees	95,173
Short term borrowings	4,000
Payable more than 30 days	3,869,600
	8,634,186

Handwritten signature