

**DARSON SECURITIES
(PRIVATE) LIMITED**

**NET CAPITAL BALANCE
PERIOD ENDED DECEMBER 31, 2018**

**INDEPENDENT AUDITORS REPORT ON STATEMENT OF NET CAPITAL BALANCE
To the Chief Executive Officer of DARSON SECURITIES (PRIVATE) LIMITED.**

Opinion

We have audited the Statement of Net Capital Balance of **Darson Securities (Private) Limited** and notes to the Statement of Net Capital Balance as at December 31, 2018 (together 'the statement').

In our opinion, the financial information in the statement **Darson Securities (Private) Limited** as at December 31, 2018 is prepared, in all material respects, in accordance with the requirements of the Second Schedule of the Securities Brokers (Licensing and Operations) Regulations, 2016 (the Regulations) read with Rule 2(d) of the Securities Exchange Commission (SEC) Rules 1971 (SEC Rules 1971) issued by the Securities & Exchange Commission of Pakistan (SECP).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the statement* section of our report. We are independent of the Securities Broker in accordance with the ethical requirements that are relevant to our audit of the statement in Pakistan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Basis of Accounting and Restriction on Distribution

We draw attention to Note (1) to the statement, which describes the basis of accounting. The statement is prepared to assist the **Darson Securities (Private) Limited** to meet the requirements of the SECP, Pakistan Stock Exchange (PSX) and National Clearing Company of Pakistan Limited (NCCPL). As a result, the statement may not be suitable for another purpose. Our report is intended solely for **Darson Securities (Private) Limited**, SECP, PSX and NCCPL and should not be distributed to parties other than **Darson Securities (Private) Limited** or the SECP, PSX or NCCPL. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the statement

Management is responsible for the preparation of the statement in accordance with the Regulations and the SEC Rules 1971, and for such internal control as management determines is necessary to enable the preparation of the statement that is free from material misstatement, whether due to fraud or error. Those charged with governance is responsible for overseeing the Securities Broker's financial reporting process.

Auditor's Responsibilities for the Audit of the statement

Our objectives are to obtain reasonable assurance about whether the statement is free from material misstatement whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this statement.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Securities Broker's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, and related disclosures made by management.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The engagement partner on the audit resulting in this independent auditor's report is **FAISAL IQBAL KHAWAJA**

Parker Randall A.J.S.

**PARKER RANDALL A.J.S.
CHARTERED ACCOUNTANTS**



March 05, 2019

DARSON SECURITIES (PRIVATE) LIMITED
NET CAPITAL BALANCE
AS AT DECEMBER 31, 2018

DESCRIPTION	VALUATION BASIS	NOTE	VALUE (Amount in Rupees)
<u>CURRENT ASSETS</u>			
Cash in hand	As per book value	2	173,545
Cash at bank:			
- Pertaining to brokerage house	As per book value		1,216,460
- Pertaining to clients	As per book value		31,678,801
Deposits against exposure with PSX	As per book value		43,000,000
Deposits against MTS Exposure Margin with NCCPL	As per book value		<u>6,222,305</u>
Total bank balances	As per book value		82,117,566
Trade Receivable			
	Book Value	3	92,179,516
	Less: overdue for more than 14 days		<u>(24,725,920)</u>
Investment in Listed Securities in the name of broker			
	Market value		56,203,795
	Less: 15% discount		<u>(8,430,575)</u>
			47,773,220
Securities purchased for client			21,543,736
	Securities purchased for the client and held by the member where the payment has not been received within 14 days.		
Listed Term Finance Certificates/Corporate Bonds (Not less than BBB grade)			
	Market value		-
	Less: 10% discount		<u>-</u>
Federal Investment Bonds			
	Market value		-
	Less: 5% discount		<u>-</u>
Treasury bills			
	Market value		-
Any other current asset specified by the commission			
	Value determined by the commission		<u>219,061,663</u>
<u>CURRENT LIABILITIES</u>			
Trade Payable			
	Book value	4	42,020,302
	Less: Overdue for more than 30 days		<u>(21,185,670)</u>
Other liabilities			
	As classified under the generally accepted accounting principles.	5	45,432,922
			<u>66,267,554</u>
NET TOTAL			<u>152,794,109</u>
Less: Amount allocated for Pakistan Mercantile Exchange Limited			(5,000,000)
NET CAPITAL BALANCE			<u>147,794,109</u>


CHIEF EXECUTIVE





DIRECTOR

For Darson Securities (PVT) Limited
TREC HOLDER: Pakistan Stock Exchange Limited Code # 090

LAHORE
March 05, 2019



P.R.

DARSON SECURITIES (PRIVATE) LIMITED
NET CAPITAL BALANCE
AS AT DECEMBER 31, 2018

NOTES TO STATEMENT OF THE NET CAPITAL BALANCE

BASIS OF ACCOUNTING

The statement of Net Capital Balance (the statement) of Darson Securities (Private) Limited has been prepared in conformity with the requirements of the Second Schedule of the Securities Brokers (Licensing and Operations) Regulations, 2016 (the Regulations) read with Rule 2(d) of the Securities Exchange Commission (SEC) Rules 1971 (SEC Rules 1971) issued by the Securities and Exchange Commission of Pakistan (SECP) and Guidelines issued by SECP from time to time for calculation of the statement.

BANK BALANCES AND CASH DEPOSITS

These are stated at book value.

	Note	----- Rupees -----
Cash in hand		173,545
Bank balance pertaining to:		
Brokerage house		1,216,460
Client		<u>31,678,801</u>
Total bank balance		32,895,261
Margins		
Deposit against exposure and losses with Pakistan Stock Exchange		43,000,000
Deposit against MTS exposure margin with NCCPL		6,222,305
		<u><u>82,291,111</u></u>

TRADE RECEIVABLES

These are valued at cost less bad and doubtful debts (if any) and debts outstanding for more than 14 days.

		----- Rupees -----
Total receivable		92,179,516
Outstanding for more than 14 days		<u>(24,725,920)</u>
Balance generated within 14 days and/or not yet due		<u><u>67,453,596</u></u>

TRADE PAYABLES

Total payables		42,020,302
Outstanding for more than 30 days		<u>(21,185,670)</u>
Balance generated within 30 days		<u><u>20,834,632</u></u>

OTHER LIABILITIES

Accrued expenses		24,247,252
Trade payables overdue by 30 days		<u>21,185,670</u>
		<u><u>45,432,922</u></u>


CHIEF EXECUTIVE




DIRECTOR

