DARSON SECURITIES (PRIVATE) LIMITED NET CAPITAL BALANCE AS AT JULY 31, 2020

(Excess of Current Assets over Current Liabilities as determined in accordance with the Schedule II of the Securities Brokers (Licensing and operations) Regulations, 2016)

DESCRIPTION	VALUATION BASIS	VAL	.UE	
		(Amount in Rupees)		
CURRENT ASSETS				
Cash in hand Cash at bank:	As per book value		402,927	
- Pertaining to brokerage house	As per book value	1,546,336		
- Pertaining to clients	As per book value	54,657,509		
Deposits against exposure with PSX and NCCPL	As per book value	155,671,460		
Deposits against MTS Exposure Margin with NCCPL	As per book value	1,069,437		
Total bank balances	As per book value		212,944,742	
Trade Receivable				
	Book Value	65,295,153		
	Less: overdue for more than 14 days	(7,602,576)	57,692,577	
Investment in Listed Securities				
in the name of broker	Market value	72,121,860		
	Less: 15% discount	(10,818,279)	61,303,581	
Securities purchased for client	Converting murphered for the diant and		2,340,336	
	Securities purchased for the client and held by the member where the payment			
	has not been received within 14 days.			
	has not been received within 14 days.			
Listed Term Finance Certificates/Corporate Bonds	Market value	-		
(Not less than BBB grade)	Less: 10% discount		-	
Federal Investment Bonds	Market value			
rederal investment bonds	Less: 5% discount	-	_	
Treasury bills	Market value		-	
Any other current asset specified by the commission	Value determined by the commission			
			334,684,163	
CURRENT LIABILITIES				
Trade Payable	Book value	212 261 996		
Trade Payable	Less: Overdue for more than 30 days	212,361,886 (29,375,707)	182,986,179	
	Less. Overdue for more than 30 days	(23,373,707)	102,300,173	
Other liabilities	As classified under the generally accepted		35,560,299	
	accounting principles.			
			218,546,478	
NET CAPITAL BALANCE			116,137,685	

DIRECTOR

CHIEF EXECUTIVE

NOTES TO STATEMENT OF THE NET CAPITAL BALANCE

1	BANK BALANCES AND CASH DEPOSITS	Note	Rup	ees
	These are stated at book value.			
	Cash in hand			402,927
	Bank balance pertaining to:			
	Brokerage house		1,546,336	
	Client		54,657,509	
	Total bank balance			56,203,845
	Margins Deposit against exposure and lossses with Pakistan Stock Exchange			155,671,460
	Deposit against exposure and lossses with a distant stock Exchange Deposit against MTS exposure margin with NCCPL			1,069,437
	2 Specific Management of the Specific Management			213,347,669
				213,347,009
2	TRADE RECEIVABLES			
	These are valued at cost less bad and doubtful debts (if any) and debts out	standing for	more than 14 day	/S.
			Rup	nos
			Kupi	:es
	Total receivable		65,295,153	
	Outstanding for more than 14 days		(7,602,576)	
	Balance generated within 14 days and/or not yet due			57,692,577
3	TRADE PAYABLES			
	Total payables		212,361,886	
	Outstanding for more than 30 days		(29,375,707)	
	Balance generated within 30 days			182,986,179
4	OTHER HARMITIES			
4	OTHER LIABILITIES			
	Accrued expenses		6,184,592	
	Trade payables overdue by 30 days		29,375,707	
				35,560,299

CHIEF EXECUTIVE DIRECTOR

Schedule III [see regulation 6(4)]

Monthly statements of liquid capital with the Commission and the securities exchange DARSON SECURITIES (PRIVATE) LIMITED Computation of Liquid Capital As on July 31, 2020

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
1. Assets				
1.1	Property & Equipment	63,763,749	63,763,749	-
1.2	Intangible Assets	54,502,096	54,502,096	-
1.3	Investment in Govt. Securities (150,000*99)	-	-	-
1.4	Investment in Debt. Securities			
	If listed than:			
	i. 5% of the balance sheet value in the case of tenure upto 1 year.	-	-	-
	ii. 7.5% of the balance sheet value, in the case of tenure from 1-3 years.	-	-	-
	iii. 10% of the balance sheet value, in the case of tenure of more than 3 years.	-	-	-
	If unlisted than:			
	i. 10% of the balance sheet value in the case of tenure upto 1 year.	-	=	
	ii. 12.5% of the balance sheet value, in the case of tenure from 1-3 years. iii. 15% of the balance sheet value, in the case of tenure of more than 3 years.	-	=	-
1.5		-	=	-
1.5	Investment in Equity Securities			
	i. If listed 15% or VaR of each securities on the cutoff date as computed by the Securities Exchange for	72,121,860	13,826,289	58,295,572
	respective securities whichever is higher.	2.046.040	2.046.040	
	ii. If unlisted, 100% of carrying value.	3,846,040	3,846,040	
	iii.Subscription money against Investment in IPO/offer for Sale: Amount paid as subscription money provided that shares have not been alloted or are not included in the investments of securities broker.	-	-	-
	iv.100% Haircut shall be applied to Value of Investment in any asset including shares of listed securities that are in Block, Freeze or Pledge status as on reporting date. (July 19, 2017) Provided that 100% haircut shall not be applied in case of investment in those securities which are Pledged in favor of Stock Exchange / Clearing House against Margin Financing requirements or pledged in favor of Banks against Short Term financing arrangements. In such cases, the haircut as provided in schedule III of the Regulations in respect of investment in securities shall be applicable (August 25, 2017)	-	-	-
1.6	Investment in subsidiaries	-	-	-
1.7	Investment in associated companies/undertaking			
	i. If listed 20% or VaR of each securities as computed by the Securites Exchange for respective securities		_	
	whichever is higher.	_	-	
	ii. If unlisted, 100% of net value.	-	-	-
1.8	Statutory or regulatory deposits/basic deposits with the exchanges, clearing house or central depository or any other entity.	1,600,000	1,600,000	-
1.9	Margin deposits with exchange and clearing house.	166,261,944	_	166,261,94
1.10	Deposit with authorized intermediary against borrowed securities under SLB.	-	_	-
1.11	Other deposits and prepayments	6,263,652	6,263,652	-
	Accrued interest, profit or mark-up on amounts placed with financial institutions or debt securities etc.(Nil)			
1.12				
	100% in respect of markup accrued on loans to directors, subsidiaries and other related parties	=	-	-
1.13	Dividends receivables.	-	-	-
	Amounts receivable against Repo financing.			
1.14	Amount paid as purchaser under the REPO agreement. (Securities purchased under repo arrangement	-	-	-
	shall not be included in the investments.)			
1.15	i. Short Term Loan To Employees: Loans are Secured and Due for repayment within 12 months	17,717,227	-	17,717,22
	ii. Receivables other than trade receivables	38,414,659	405,967	38,008,69
1.16	Receivables from clearing house or securities exchange(s)	, ,	,	
	100% value of claims other than those on account of entitlements against trading of securities in all markets including MtM gains.	-	-	-
	claims on account of entitlements against trading of securities in all markets including MtM gains.	-	-	-
1.17	Receivables from customers			
	i. In case receivables are against margin financing, the aggregate if (i) value of securities held in the blocked account after applying VAR based Haircut, (ii) cash deposited as collateral by the financee (iii) market value of any securities deposited as collateral after applying VAR based haircut. i. Lower of net balance sheet value or value determined through adjustments.	-	-	-
	ii. Incase receivables are against margin trading, 5% of the net balance sheet value.	_	-	

iv. Balance sheet value v. Incase of other trade receivables are overdue, or 5 days or more, the aggregate of (i) the market value of securities purchased for customers and held in sub-accounts after applying VAR based haircuts, (ii) cash deposited as collateral by the respective customer and (iii) the market value of securities held as collateral after applying VAR based haircuts. v. Lower of net balance sheet value or value determined through adjustments vi. 100% haircut in the case of amount receivable form related parties. 1.18 Cash and Bank balances 1. Bank Balance-proprietory accounts ii. Bank balance-customer accounts 54,657,509 1.19 Total Assets 546,393,168 392,557,003 2. Liabilities 2.1 Trade Payables i. Payable to exchanges and clearing house ii. Payable against leveraged market products	iii. Incase receivables are against securities borrowings under SLB, the amount paid to NCCPL as collateral upon entering into contract, iii. Net amount after deducting haricut			-
securities purchased for customers and held in sub-accounts after applying VAR based haircust, (i) cash deposited as collaterally the respective customer and (iii) the market value of securities held as collateral and held the properties of the p		50,233,802	-	50,233,802
1. Bank balance-controletory accounts 1. Depable to exchanges and clearing house 1. Payable to exchanges and clearing house 1. Payable against leveraged market products 1. Payable against leveraged market products 1. Payable against leveraged market products 1. Payable be costoners 1. Balance proprietor of the payables 1. Statutory and regulatory dues debts 1. Statutory and regulatory dues developed and and and regulatory requirements 1. Statutory and regulatory dues debts and regulatory dues developed and regul	securities purchased for customers and held in sub-accounts after applying VAR based haircuts, (ii) cash deposited as collateral by the respective customer and (iii) the market value of securities held as collateral after applying VAR based haircuts.	9,292,046	5,432,995	5,432,995
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B. Bank balance customer accounts 54,657,599 54,657,599 10,000 10		4 546 226		1 546 226
III. Cash in hand			-	
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a. Long-Term financing obtained from financial institution: Long term portion of financing obtained from a financial institution including amount due against finance lease b. Other long-term financing ii. Staff retirement benefits iii. Advance against shares for Increase in Capital of Securities broker: 100% haircut may be allowed in respect of advance against shares if: a. The existing authorized share capital allows the proposed enhanced share capital b. Boad of Directors of the company has approved the increase in capital c. Relevant Regulatory approvals have been obtained d. There is no unreasonable delay in issue of shares against advance and all regulatory requirements relating to the increase in paid up capital have been completed. e. Auditor is satisfied that such advance is against the increase of capital. iv. Other liabilities as per accounting principles and included in the financial statements 2.4 Subordinated Loans i. 100% of Subordinated loans which fulfill the conditions specified by SECP are allowed to be deducted: The Schedule III provides that 100% haircut will be allowed against subordinated Loans which fulfill the conditions specified by SECP. In this regard, following conditions are specified: a. Loan agreement must be executed on stamp paper and must clearly reflect the amount to be repaid after 12 months of reporting period b. No haircut will be allowed against short term portion which is repayable within next 12 months. c. In case of early repayment of loan, adjustment shall be made to the Liquid Capital and revised Liquid Capital statement must be submitted to exchange. ii. Subordinated loans which do not fulfill the conditions specified by SECP	2.3 Non-Current Liabilities			
financial institution including amount due against finance lease b. Other long-term financing ii. Staff retirement benefits iii. Advance against shares for Increase in Capital of Securities broker: 100% haircut may be allowed in respect of advance against shares if: a. The existing authorized share capital allows the proposed enhanced share capital b. Boad of Directors of the company has approved the increase in capital c. Relevant Regulatory approvals have been obtained d. There is no unreasonable delay in issue of shares against advance and all regulatory requirements relating to the increase in paid up capital have been completed. e. Auditor is satisfied that such advance is against the increase of capital. iv. Other liabilities as per accounting principles and included in the financial statements 2.4 Subordinated Loans i. 100% of Subordinated loans which fulfill the conditions specified by SECP are allowed to be deducted: The Schedule III provides that 100% haircut will be allowed against subordinated Loans which fulfill the conditions specified by SECP. In this regard, following conditions are specified: a. Loan agreement must be executed on stamp paper and must clearly reflect the amount to be repaid after 12 months of reporting period b. No haircut will be allowed against short term portion which is repayable within next 12 months. c. In case of early repayment of loan, adjustment shall be made to the Liquid Capital and revised Liquid Capital statement must be submitted to exchange. ii. Subordinated loans which do not fulfill the conditions specified by SECP	i. Long-Term financing	-	-	-
iii. Advance against shares for Increase in Capital of Securities broker: 100% haircut may be allowed in respect of advance against shares if: a. The existing authorized share capital allows the proposed enhanced share capital b. Boad of Directors of the company has approved the increase in capital c. Relevant Regulatory approvals have been obtained d. There is no unreasonable delay in issue of shares against advance and all regulatory requirements relating to the increase in paid up capital have been completed. e. Auditor is satisfied that such advance is against the increase of capital. iv. Other liabilities as per accounting principles and included in the financial statements 2.4 Subordinated Loans i. 100% of Subordinated loans which fulfill the conditions specified by SECP are allowed to be deducted: The Schedule III provides that 100% haircut will be allowed against subordinated Loans which fulfill the conditions specified by SECP. In this regard, following conditions are specified: a. Loan agreement must be executed on stamp paper and must clearly reflect the amount to be repaid after 12 months of reporting period b. No haircut will be allowed against short term portion which is repayable within next 12 months. c. In case of early repayment of loan, adjustment shall be made to the Liquid Capital and revised Liquid Capital statement must be submitted to exchange. ii. Subordinated loans which do not fulfill the conditions specified by SECP		-	-	-
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respect of advance against shares if: a. The existing authorized share capital allows the proposed enhanced share capital b. Boad of Directors of the company has approved the increase in capital c. Relevant Regulatory approvals have been obtained d. There is no unreasonable delay in issue of shares against advance and all regulatory requirements relating to the increase in paid up capital have been completed. e. Auditor is satisfied that such advance is against the increase of capital. iv. Other liabilities as per accounting principles and included in the financial statements 2.4 Subordinated Loans i. 100% of Subordinated loans which fulfill the conditions specified by SECP are allowed to be deducted: The Schedule III provides that 100% haircut will be allowed against subordinated Loans which fulfill the conditions specified by SECP. In this regard, following conditions are specified: a. Loan agreement must be executed on stamp paper and must clearly reflect the amount to be repaid after 12 months of reporting period b. No haircut will be allowed against short term portion which is repayable within next 12 months. c. In case of early repayment of loan, adjustment shall be made to the Liquid Capital and revised Liquid Capital statement must be submitted to exchange. ii. Subordinated loans which do not fulfill the conditions specified by SECP	ii. Staff retirement benefits	-	-	-
i. 100% of Subordinated loans which fulfill the conditions specified by SECP are allowed to be deducted: The Schedule III provides that 100% haircut will be allowed against subordinated Loans which fulfill the conditions specified by SECP. In this regard, following conditions are specified: a. Loan agreement must be executed on stamp paper and must clearly reflect the amount to be repaid after 12 months of reporting period b. No haircut will be allowed against short term portion which is repayable within next 12 months. c. In case of early repayment of loan, adjustment shall be made to the Liquid Capital and revised Liquid Capital statement must be submitted to exchange. ii. Subordinated loans which do not fulfill the conditions specified by SECP	respect of advance against shares if: a. The existing authorized share capital allows the proposed enhanced share capital b. Boad of Directors of the company has approved the increase in capital c. Relevant Regulatory approvals have been obtained d. There is no unreasonable delay in issue of shares against advance and all regulatory requirements relating to the increase in paid up capital have been completed.	-	-	-
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	ii Subordinated loans which do not fulfill the conditions specified by SECD	_	_	_
		218.546.479	-	218,546 479

3. Ranking Liabilities Relating to :

3.1	Concentration in Margin Financing			
	The amount calculated client-to- client basis by which any amount receivable from any of the financees exceed 10% of the aggregate of amounts receivable from total financees.	-	15,292,260	15,292,260
3.2	Concentration in securites lending and borrowing			

Liquid capital balance	327,846,690		141,622,52
3.11 Total Ranking Liabilites	-		32,388,000
ii. Incase of proprietory positions, the market value of shares sold short in ready market and not yet settled increased by the amount of VAR based haircut less the value of securities pledged as collateral after applying haircuts.	-	-	-
i. Incase of customer positions, the market value of shares sold short in ready market on behalf of customers after increasing the same with the VaR based haircuts less the cash deposited by the customer as collateral and the value of securities held as collateral after applying VAR based Haircuts	-	-	-
3.10 Short selll positions			
ii. In case of proprietary positions , the total margin requirements in respect of open positions to the exten not already met	-	3,947,229	3,947,22
i. In case of customer positions, the total margin requiremnets in respect of open postions less the amount of cash deposited by the customer and the value of securites held as collateral/ pledged with securities exchange after applyiong VaR haircuts	-	13,148,511	13,148,51
3.9 Opening Positions in futures and options			
3.8 Concentrated proprietary positions If the market value of any security is between 25% and 51% of the total proprietary positions then 5% of the value of such security. If the market of a security exceeds 51% of the proprietary position, then 10% of the value of such security	-	-	-
In the case of financier/purchaser the total amount receivable under Repo less the 110% of the market value of underlying securites. In the case of financee/seller the market value of underlying securities after applying haircut less the total amount received ,less value of any securites deposited as collateral by the purchaser after applying haircut less any cash deposited by the purchaser.	-	-	-
3.7 Repo adjustment			
assets denominated in foreign currency less total liabilities denominated in foreign currency 3.6 Amount Payable under REPO	-	-	-
5% of the net position in foreign currency. Net position in foreign currency means the difference of total			
exceed the total liabilities of the subsidiary 3.5 Foreign exchange agreements and foreign currency positions	-	-	-
3.4 Negative equity of subsidiary The amount by which the total assets of the subsidiary (excluding any amount due from the subsidiary)			
(b) in any other case: 12.5% of the net underwriting commitments	-	-	-
(a) in the case of right issuse: if the market value of securities is less than or equal to the subscription price; the aggregate of: (i) the 50% of Haircut multiplied by the underwriting commitments and (ii) the value by which the underwriting commitments exceeds the market price of the securities. In the case of rights issuse where the market price of securities is greater than the subscription price, 5% of the Haircut multiplied by the net underwriting	-	-	-
3.3 Net underwriting Commitments			
(ii) Cash margins paid and (iii) The market value of securities pledged as margins exceed the 110% of the market value of shares borrowed	-	-	-
The amount by which the aggregate of: (i) Amount deposited by the borrower with NCCPL			

Calculations Summary of Liquid Capital

- (i) Adjusted value of Assets (serial number 1.19)
- (ii) Less: Adjusted value of liabilities (serial number 2.5)
- (iii) Less: Total ranking liabilities (series number 3.11)

Note: Commission may issue guidelines and clarifications in respect of the treatment of any component of Liquid Capital including any modification, deletion and inclusion in the calculation of Adjusted value of assets and liabilities to address any practical difficulty.